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ABSTRACT

The Netherlands has adopted as its manpower policy the full employment of its human resources in an expanding economy. Activities which have been particularly successful include regional development, supplementary employment programs, social employment, and stabilization of seasonal employment in construction. Additional efforts are needed to link the existing programs into a coordinated instrument of manpower policy. (BH)

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manpower and social policy in the NETHERLANDS

ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT

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FOREWORD

The country examination is one of the major procedures employed by the Manpower and Social Affairs Committee to promote the fullest understanding and application of the active manpower policy by the Member countries. For this examination, the country prepares a detailed description of its manpower and social policies, programmes and administrative arrangements and results. The scope and focus for this study are defined in discussions between the Secretariat of the Committee and the Member country. The examiners for the review are appointed from among outstanding national manpower administrators, scholars and the senior members of the Secretariat. The Examiners, through special investigations, field studies and interviews with leaders of various groups, appraise the programmes and operations and prepare a personal report. They are generally charged with appraising the degree to which the particular country has adopted and implemented an active manpower policy for the promotion of the OECD goals of advancing national economic growth and rising living standards. They are also asked to point out those policies and practices and special innovations which would be of general interest to other countries and to recommend such changes in policy or programmes in the particular country as they believe necessary to advance an active manpower policy.

The Examiners' report is presented to the authorities of the individual countries for review and comment. The major issues raised by the report and the views of the country examined are discussed at a meeting of the Manpower and Social Affairs Committee. Conclusions are examined and adopted at a subsequent meeting of the Committee.

The country examination of the Netherlands is the sixth in this series undertaken by the Manpower and Social Affairs Committee. Similar examinations are in process for other Member countries. It was conducted by a team consisting of Mr. Bertil Olsson, Director General, Kungl Arbetsmarknadsstyrelsen, Stockholm, Sweden, and Mr. Solomon Barkin, Deputy to the Director of Manpower and Social Affairs and Head of the Social Affairs Division, who prepared the Examiners' report. Mr. Frank M. Pickford, Ministry of Labour, United Kingdom, shared in the early work but was prevented by illness from participating in the preparation of the report itself.

This examination has been particularly fruitful, and examined in great detail whether the country had adopted and implemented an active manpower policy. In this task, it was guided by the "Recommendation of the Council on Manpower Policy as a Means for the Promotion of Economic Growth" adopted on May 21st, 1964. The Examiners appraised the entire policy, administrative and expenditure structure in order to test its conformity with the above Recommendation. Besides defining the objectives of this policy in operational terms, they considered the adequacy and appropriateness of the administrative structure, the priorities assigned to the various goals, the policies and the effectiveness of their implementation. The Examiners' Report considered the entire programme as a system rather than as a series of individual programmes or parts.

The country examinations have made clear that the specific form and contents of an active manpower policy will differ among countries. No single pattern is likely to fit them all because of the diversity in their levels of economic development, forms of government, size and needs. The priorities assigned to different parts of the programme will vary and therefore the manpower policies and programmes will differ. But they can all be judged by the common objectives ; namely their contribution to economic growth and the well-being of the population. This examination has developed a methodology for examining the degree to which a particular country has conformed to the principles of an active manpower policy. The application of this approach to the Netherlands has been particularly productive since this country has developed one of the most advanced programmes among the more industrialised nations and has made singular contributions through its many innovations in policy and programmes.

The Manpower and Social Affairs Committee, at its 15th meeting in February 1967, agreed to the publication of the documents prepared in connection with the Examination, the answers provided by the Netherlands Manpower Authorities to the questions raised by the Examiners, and the conclusions adopted by the Committee as a result of this examination.

W. R. Dymond.

Chairman of the Manpower and Social Affairs Committee.

I

CONCLUSIONS OF THE MANPOWER AND SOCIAL AFFAIRS COMMITTEE ON THE EXAMINATION OF THE MANPOWER AND SOCIAL POLICY OF THE NETHERLANDS

The Manpower and Social Affairs Committee welcomed the examination of the Netherlands' manpower and social policy and its administration. It afforded the Committee an opportunity of examining the application of the principles of an active manpower policy in a country with many highly developed services. Some of them, such as regional development, supplementary employment programmes, social employment, seasonal stabilisation of the construction industry and consultation with interested groups, have reached such a stage of maturity and effectiveness that they can serve as guides for other countries. At the same time, the responsible authorities have shown a strong desire to improve their performance better to serve the nation, employers and employees. In 1964 the Secretary of State for Social Affairs and Public Health sought the advice of the Socio-Economic Council on ways of achieving a more effective manpower programme ; a report by this body is in preparation.

The Netherlands has adopted as its manpower goal the fullest productive employment of the nation's human resources in an expanding economy, the basic aim of an active manpower policy as formulated by OECD. Many individual programmes now exist for realising this goal. Efforts have been made, especially during the past year, to achieve methodical coordination of such measures and policies, but much has still to be done to advance this process. Still further progress is necessary to transform the existing organisation into a coordinated instrument of an active manpower policy, efficiently using an integrated system of data collection and research and continuously redefining appropriate policies and priorities for tasks.

Early action is required to implement this goal. To attain the national objectives the existing procedure for economic policy formulation and application calls for a coordinated system of policies, services and aids to deal with manpower. The full recognition and high priority which the "objectives of national manpower programmes... deserve from the point of view of economic, political and human interests" has still to be acknowledged. The current high rate of structural economic change calls for continuous shifts of emphasis in programmes, services and aids for recruitment, adaptation of qualifications, optimum productive placements and assurance of security of the labour force. Manpower authorities must now also be capable of responding quickly to changes in the employment situation produced by conjunctural variations.

The determination of the Netherlands' authorities to find new solutions to the problems arising from the transition from a state of general labour surplus to that of labour stringency, both on a local and general basis, afforded the Manpower and Social Affairs Committee an opportunity of examining many issues confronting Member countries. How can the manpower authorities develop the knowledge and insight into the labour market needed in this new era ? How can the manpower agencies and programmes be co-ordinated with and aided by other governmental programmes and those promoted by employers and unions? How can the manpower authorities maintain the requisite flexibility of measures and administration to adjust quickly to new trends and conditions in the labour market? What new measures, services and aids are required? The examination embraced the full range of manpower problems and has therefore allowed for an appreciation of the operations of the total system.

ECONOMIC SETTING AND PRIORITIES FOR MANPOWER AUTHORITIES

Manpower and social programmes in the Netherlands evolved during a period of labour surplus and unemployment and were developed to deal with such challenges. Governmental economic and social programmes successfully wrestled with these problems in the post-war years and helped to usher in a period of full employment, starting in 1959, which produced a growing stringency on the labour market. The national economic and social objectives were further implemented by regional development programmes which brought about relatively higher rates of growth in the economically backward provinces, thus promoting greater economic balance within the nation.

Expansion of employment and production were not however universal. Employment, and in some instances output, have declined in individual sectors and industries of which mining is the most important. Agriculture, textiles and brickmaking witnessed a drop in employment but a concurrent expansion in production. Sub-divisions in some sectors and industries, for example small craft and retail shops, have suffered, while the total sector and industry have forged ahead.

Cutbacks in employment are taking place in some sub-divisions or plants because of the decreases in exports and as a result of the impact of the tight credit policy and fiscal restraints on the economy, designed to control inflationary pressures. These measures have relaxed but not eliminated all stringencies in the labour market, increased the numbers of the unemployed, especially in the building industry, and reduced the total of job vacancies. The overall result has been a rise in the male unemployment rate to 2.7 per cent (seasonally adjusted — 1.8 per cent) by the end of December 1966 from a low point of 0.8 per cent at the end of June 1966.

These changes and varied situations make it evident that the manpower authorities have to be capable of dealing equally with conditions of labour scarcity and surplus, with deflationary and inflationary forces within the labour market, with trends reinforcing or interfering with the attainment of the desired national industrial pattern and other changes. To achieve these ends the manpower authorities have to be able to give the necessary information and advice to the economic policy makers, assist both management and employees with the manpower problems connected with adjustment to changes, facilitate redeployment in areas of continued labour stringency and provide supplementary employment under conditions of labour surplus.

With the recent economic reversal a new priority has arisen; it is to assist in combating and moderating the adverse effects of the temporary economic setback on the labour market by assisting in the creation of new employment opportunities. These measures will also tend to reduce the fears and resistance of the labour force to economic innovations and measures to achieve greater stability.

During the last few years, the manpower authorities have had to give high priority to the recruitment of labour from new sources. The natural additions to the labour force have been insufficient for the needs of the rate of economic growth which was being experienced and will probably also be so in the medium term future.

CO-ORDINATION OF MANPOWER PROGRAMMES AND POLICIES

To carry out the major obligation for policy development and implementation essential to realisation of the goals of an active manpower policy, in the first instance, an appropriate system is required for co-ordinating manpower policies and programmes within the Ministry of Social Affairs and Public Health. In the second place, close collaboration is necessary with other ministries on matters within their competence which affect the realisation of manpower objectives. The Ministry of Social Affairs and Public Health should seek further improvements in the continuing constructive relations among the ministries by creating more adequate machinery for this purpose. In the third place, the policies and programmes of the manpower authorities, independent organisations in this field and enterprises should be co-ordinated to shape common policies and enable each to supplement and complement its resources. Finally the Minister's office, and the Minister himself as a member of the Cabinet, has the ultimate duty of assuring the appropriate recognition and priority for manpower objectives and promoting a high degree of flexibility in the use of the total governmental services and aids necessary to meet the varying needs of different economic conditions and areas.

The duties of the manpower authorities should include not only the preparation of an annual report on labour market developments, but also periodical appraisals of the effectiveness and appropriateness of present measures, the enumeration of current problems and recommendations for further action. These reports should also be made available for wide distribution among the principal groups within the labour market. For the effective functioning of the policy-making and administrative structure of the services concerned with manpower additional personnel is required, particularly with high level qualifications.

In line with the OECD Council Recommendation on Manpower Policy as a means for the promotion of Economic Growth, the Minister of Social Affairs and Public Health and his Secretary of State normally and regularly seek the counsel of the interested groups in the community, such as employers' associations and trade unions. These are represented at all levels, including the highest one, the Social and Economic Council. In order to assure continuing review and the high level of expertise necessary for these manpower problems, it would be desirable to have a group empowered to advise the Minister of Social Affairs and Public Health on these matters.

DATA COLLECTION AND RESEARCH

Adequate information, knowledge and continuing study and prognosis are essential for a system of policy formulation, effective and flexible administration and labour market operation. The Netherlands' authorities have been reviewing their statistical series and research requirements and have found it necessary to make changes and institute special inquiries by governmental and non-governmental groups. Limitations of funds and personnel assigned to the work have, however, impeded the speed of innovation and expansion. New kinds of data are needed from establishments and households (labour market surveys). More relevant and useful information could be obtained from improvements in the reports of the administrative agencies. For their most profitable use, complementary systems of data should be organised offering consistent, current information related to a basic historical series, designed to aid the administrator and policy-maker in following developments, appraising the effectiveness of present programmes and defining new needs. Research and forecasting could be usefully expanded to increase the agencies' ability to judge the conditions in the various labour markets and the development of new behaviour patterns. The recent establishment of a new professional post in labour economics and labour market analysis at the University of Rotterdam is considered symbolic of the new importance which the scientific study of these problems has acquired in the Netherlands and augurs well for the future.

RELATION OF MANPOWER POLICY TO ECONOMIC POLICY

The manpower authorities have in the past actively furthered economic policies seeking to provide employment for unemployed who were able to work, while their social employment policy has covered many persons of relatively limited work capacity. The current programme of supplementary employment projects makes an important contribution to providing jobs for the unemployed. Studies are under way to find methods for extending them to a higher proportion of people with experience in white-collar and manufacturing employment.

The proposals to assure better utilisation of human, social and private resources have also led to three important constructive programmes. The first is the programme for regional development under the primary administrative responsibility of the Ministry of Economic Affairs, which has already contributed substantially to the economic balance within the country. The manpower authorities are one of the agencies contributing to the formulation of policy in this area, besides administering the funds for aiding geographical mobility to these encouragement areas and other services, including retraining. Second is the seasonal stabilisation in the construction industry which combines a system of payment to employees for time lost due to weather conditions, and a series of incentives to employers intended to advance winter employment. This programme is under the supervision of the Ministry of Housing and Physical Planning. Third is the experimental project for stabilisation of employment of farm labour which is organised by the Ministry of Social Affairs and Public Health.

At various times legislative and administrative action in the economic policy area has been taken with specific manpower policy objectives in mind. The tax systems have been modified in order, for example, to ease the burden on families with working wives and to encourage the introduction of labour-saving equipment which may relieve tensions in the labour market. The employment of special groups, such as women, has been facilitated by removal of various restrictions. Geographical labour mobility has been promoted by providing specific incentives and aids.

The manpower authorities have in the past advised the relevant agencies on methods of moderating inflationary pressures in the light of labour market conditions. Further development of this function is essential. The manpower authorities from their special knowledge can provide information on inflationary pressures in the labour market and on the likely effect of proposals in the economic field on the labour market, and can offer advice in these areas.

LABOUR MARKET STRINGENCIES AND SOME METHODS OF RELIEVING THEM

On the assumption of a continued high level of economic growth and the expected decline in participation rates for the population in the years immediately ahead, the manpower authorities will in future have to concentrate on the problems of labour scarcities both in the economy as a whole and in particular areas and sectors. Agriculture will probably release fewer persons for the non-agricultural sectors and it is unlikely that the shift of personnel from small crafts and retail trade will be large. It is not certain that the contribution of labour saving equipment and tighter manning schedules to easing the tension in the market will be greater than in the past. In any case there is need for further data collection and careful study of this trend. Greater efforts could be made to advance effective utilisation of manpower resources in the enterprise. The manpower authorities should do their utmost to encourage concerted attention by management and trade unions to securing such effective redeployment by providing further guides and specific programmes for adjustment of the personnel concerned.

New sources of manpower are likely to be necessary to attain the nation's economic growth objectives. Foreign labour has provided some respite from this tension in many fields. Recent endeavours to require better social standards for foreign workers as a condition for their admittance are likely, however, to limit this potential source, as the nation's own infrastructure, especially housing, is inadequate.

From the economic point of view, the major additional manpower reserve in the Netherlands appears to be women returning to the labour market after a period of absence and women with family responsibilities. As the educational and vocational training of girls and the occupational experience of young women increase, the tendencies toward their greater participation have been strengthened. The possibility for women and their families to make a choice in favour of employment is still limited by barriers, resistance, lack of management skill in the deployment of women, and the absence of appropriate work schedules, insufficient community facilities and limited training facilities. While the debate on public policy for the positive encouragement of the employment of women with family responsibilities continues, the special needs of women now employed or seeking such jobs should be met. Training and employment preparation of women desiring to re-enter the labour market would be particularly helpful and might be provided by the adult training centres maintained by the Ministry of Social Affairs and Public Health. For many of these women, and for some marginal labour groups, placement in employment also provides an opportunity for satisfying and meaningful work.

Programmes for promoting the absorption of disadvantaged groups in the labour market have been substantially stimulated by use of the social employment schemes. Most helpful in facilitating the social adjustment of migrants from rural areas, and foreign workers and individuals with special personal problems, are the private reception and referral agencies, subsidised in part by the government, which have taught these persons the use of the social agencies. The latter and many employers have specific programmes and personnel for helping these individuals. They have not only shortened the periods of adjustment, but advanced the time when full productivity has been attained and provided successful precedents to encourage others to come.

The appointment of a special counsellor for the long-term unemployed and hard-to-place, recently introduced as an experiment in the Employment Service, will even further increase the number of active participants among these marginal groups. More specific application of the Manpower and Social Affairs Committee's conclusions on the "Employment of Older Workers" would also widen the receptivity of management to the recruitment of this group and would increase the use of measures for their most productive employment. The continued supervision by the central office of the Employment Service of the activities for older workers in regional and local offices would help assure appropriate follow-up and knowledge in this field.

IMPROVEMENT OF QUALITY OF HUMAN RESOURCES

The increase in the participation rate of marginal groups, as well as the capacity of the labour force to engage in the more advanced employment developed in this country in recent years, reflects the progress in education, training and social adjustment programmes in the Netherlands. The possibilities for more extended education created by the new law on continued education, the addition of general education throughout the entire apprenticeship period, the spontaneous shifts of greater numbers of students to more general secondary education and the extension of the years of education, all contribute to the better preparation of the future work population. Similarly, the possibility for students to switch courses of study at the secondary school level as their interests and capacities become more evident, may do much to open up opportunities and raise the numbers able to follow more advanced training. The acceptance of a school leaving age higher than fourteen years in compulsory education should be supplemented by a close study of the need for extended general education for a greater proportion of young people, in order better to prepare them for the industrial system.

The increase in the numbers and types of vocational and technical schools focuses immediate attention on those who do not continue their formal education or training, now amounting to over 40 per cent of the 15-17 age group. Those pursuing apprenticeship find that most of their time is spent on practical work at the work-place learning about the work environment and acquiring manual skills. These programmes should be reviewed and shortened to allow for more general education. The apprenticeship period should be an educational experience and supervisory agencies should test the adequacy of workshop training in these terms.

The adult training centres are organisations for retraining people for higher levels of skills and knowledge in the building and metal industries. To serve the current requirements of a highly dynamic society, training opportunities provided in these schools and other centres might be extended or other opportunities created, to teach more limited skills and help in the upgrading of adults adversely affected by economic and technological change, women re-entering the labour market and other special groups who need such aid to become more easily qualified for placement. Financial help should be more widely granted to encourage adequate training and retraining programmes in industry, both to ensure their wider development and to promote the appropriate level of educational standards and content in these training programmes.

REALLOCATION OF LABOUR FORCE FOR FULL PRODUCTIVE EMPLOYMENT

Several special measures have been introduced in the Netherlands to secure the improved reallocation of manpower. Financial aids to geographical mobility are available even though only limited use is now made of them. As part of the nation's efforts to rationalise agricultural production and the small crafts and retail industry, and to contract the mining industry, the manpower authorities provide special services, including specific retraining programmes and local offices to help people who are leaving these employments. In a parallel manner, the government has provided special training and incentive programmes to help recruitment in the building industry for which high production targets have been set.

There is a great need for the Employment Service to play a more active part in encouraging job mobility in line with the national interest. One important step in this direction would be for the vocational guidance and placement officers to provide more information and counsel to individuals and the public at large on economic and labour market trends for individual occupations and industries, and to help individuals make sounder economic judgments on occupational choices, notably as to the prospects for continued employment and level of earnings. For this purpose the placement officers should be more specifically trained in the skills of adult counselling.

The Employment Service in the Netherlands has gradually been altered from an "unemployment office" to an "employment office". This shift is being effected not only through improvements in the physical surroundings, aided by the long-standing separation of the Employment Service and the unemployment insurance payment organisations, but also through an expansion of its activities. It is beginning to reach out beyond the unemployed and hard-to-place and poorly operated sectors of the labour market. Instead of being primarily occupied with the placement of people in the lesser skilled categories, it should seek to become responsible for placing a growing proportion of personnel from all levels of skills and professions. Specific attention is now being given to the organisation of the section catering for higher-level personnel including university graduates (and their occupations), in supervisory, professional and managerial employments. More extensive use of publicity and advertising of job vacancies would strengthen these efforts.

Another useful approach towards achieving a greater appreciation of the Service by the general population is through greater attention to employers' precise needs. The Employment Office should relate its own efforts more closely to the enterprise recruitment practices and provide for a continuing review of the quality of individual placements in terms of their performance as actual employees. The central offices of the Employment Service could do much to coordinate and advance employer relations and promote routine close contacts with national businesses operating in several regions.

These and other extensions of coverage and service, both to aid employers and employees, should enable the Service to use its knowledge of situations and developments in the labour market more profitably and assist in the more rapid and useful adjustment of people and jobs. Low rates of coverage of labour turnover and job mobility and concentration on the weak and marginal sectors may serve as an indication of the need to study the effectiveness of the Service.

Even recognising that the free choice by individuals of the methods of job selection and finding is a basic principle in a free society, the Employment Service should strive to attain the level of usefulness which would spontaneously attract a higher proportion of both employers and employees to its organisation, both to secure their optimum placement or recruitment, as the case may be, and to provide the service with the routine contacts on all phases of the labour market.

The Employment Service has adopted some of, and should further elaborate, the functions of the local manpower agency. Individual regional officers now provide some information on local labour market conditions both to employers and the public. They participate unevenly in local bodies concerned with employment problems and the provision of services for special groups. They could assume a more formal responsibility for advising on and promoting the development of manpower, economic and other programmes to secure the optimum utilisation of manpower in the area.

The Council of Dutch Employers' Associations has announced formal guides for employers in cases of mass layoffs. These provide for early notification of the regional employment offices, and consultations with them on the conditions in the labour market and the possibilities of recruitment for jobs which may have to be filled after the lay-offs. Community manpower functions are thus receiving additional importance. The local advisory committees could therefore assume broader functions in advising on area manpower problems.

The pilot operations for the decasualisation of the agricultural labour market and the promotion of stabilisation of employment among dock workers, are important examples of constructive activities which the manpower authorities should consider following in other areas. Similarly, the programme to assist miners to adjust to new employments and for the redevelopment of the economic structure in the Limburg area could serve as a prototype for the services, which should be systematically planned, on the basis of adequate advance notice, and implemented in areas and for employments which, it is anticipated, will be adversely affected by economic change.

In view of the current study of the programmes of advanced warning systems in case of mass lay-offs and of systems of individual notices of release, it is well to note that some countries report that such programmes of advanced notice to public employment offices and advanced notice of dismissal to individual employees, contribute to easier adjustment for displaced employees, and permit the Employment Service to bring its total resources to bear to help all parties in effecting smoother and less costly transitions.

ENTERPRISE MANPOWER POLICY AND PRACTICE

The place where manpower policy affects the overwhelming proportion of the working population, all those actually employed or about to be released or recruited, is the enterprise. The Manpower and Social Affairs Committee therefore emphasised in its basic statement that the manpower programmes of the "plant, establishment or industry" can make an important contribution "to the promotion of economic growth". By its policies and practices the enterprise conditions the direction of manpower flow, the degree of utilisation and satisfaction of employees as well as the extent of their co-operation in economic and industrial change.

The development of personnel and industrial relations policies at these levels, consistent with and complementary to public policies, is essential to the attainment of a total active manpower policy. Some enterprises have elaborated careful programmes to ensure the employment security of their employees and facilitate adjustment to change within the firm. Dismissals and resignations are now subject to appeal to and, ultimately, to review by regional employment officers. The publication of a set of guides for enterprise manpower policy and practice, preferably developed jointly by management, trade unions and those responsible for the implementation of public manpower policy, would do much to secure the needed close co-ordination between the enterprise and public agencies for the advancement of the basic national economic and social goals.

CONCLUSION

The application of the above proposals would do much to promote an active manpower policy in the Netherlands. Having introduced many new basic principles and techniques in the field of manpower policy, this country could play an important role in developing and elaborating the meaning, procedures and strategy of operation of an active manpower programme about which much has still to be learned.

The examination has shown that countries with such manpower services and aids as are found in the Netherlands require, in addition, a system for co-ordinating policies and programmes designed to advance the national economic and social objectives positively and actively. There should be available extended administrative structures, information and resources for effective policy making and administration. Such a programme calls for close collaboration of government, management and employee organisations, both to develop a consensus and to secure the necessary complementary and supporting relations with agencies and programmes of the public, the enterprise and the unions.

II

REPORT BY THE NETHERLANDS AUTHORITIES

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BASIC FIGURES FOR THE NETHERLANDS, IN COMPARISON WITH THE UNITED KINGDOM AND SWEDEN

	NETHERLANDS		UNITED KINGDOM		SWEDEN	
	1962	1965	1962	1965	1962	1965
1. Area (,1000 sq. km.) ..	33.6[1]	33.6[1]	244.0[1]	[1]	449.8[1]	[1]
2. Agricultural area	22.9[1]	25.6	197.1[1]		42.8[1]	
3. Population (thousand) .	12,127[1]	12,377[1]	54,213[1]	54,436	7,662[1]	7,700
4. Inhabitants per sq. km .	361[1]	370	222[1]	247	17[1]	17
Most densely populated part of the country	-	838[2]	-	348[3]	-	-
5. Total employment (civilian occupied manpower) (thousands), of which :	4,310[1]	4,549	25,007[1]	25,311	3,719[1]	3,800
a) agriculture (1 %)	9.8[1]	9.3	3.8[1]	3.6	12.6[1]	10.0
b) industry (%)	44.1[1]	44.5	47.5[1]	47.5	41.5[1]	33.0
c) other (%)	46.1[1]	46.2	48.7[1]	48.9	45.9[1]	57.0
d) *women* (%)	22.3	23.1	34.5	35.2	-	45.0
e) foreign workers (thousands) - in per cent of total employment	32.0	63.1	-	-	-	-
	0.7	1.4	-	-	3.8	4.5
6. Gross national product at market prices : per capita, at current prices exchange rates US $ ..	1,390[1]	1,533	1,780[1]	1,812	2,280[1]	2,562

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[1] Source : OECD Observer No. 20, February 1966.

[2] Western part of the country, provinces South and North Holland and Utrecht.

[3] England.

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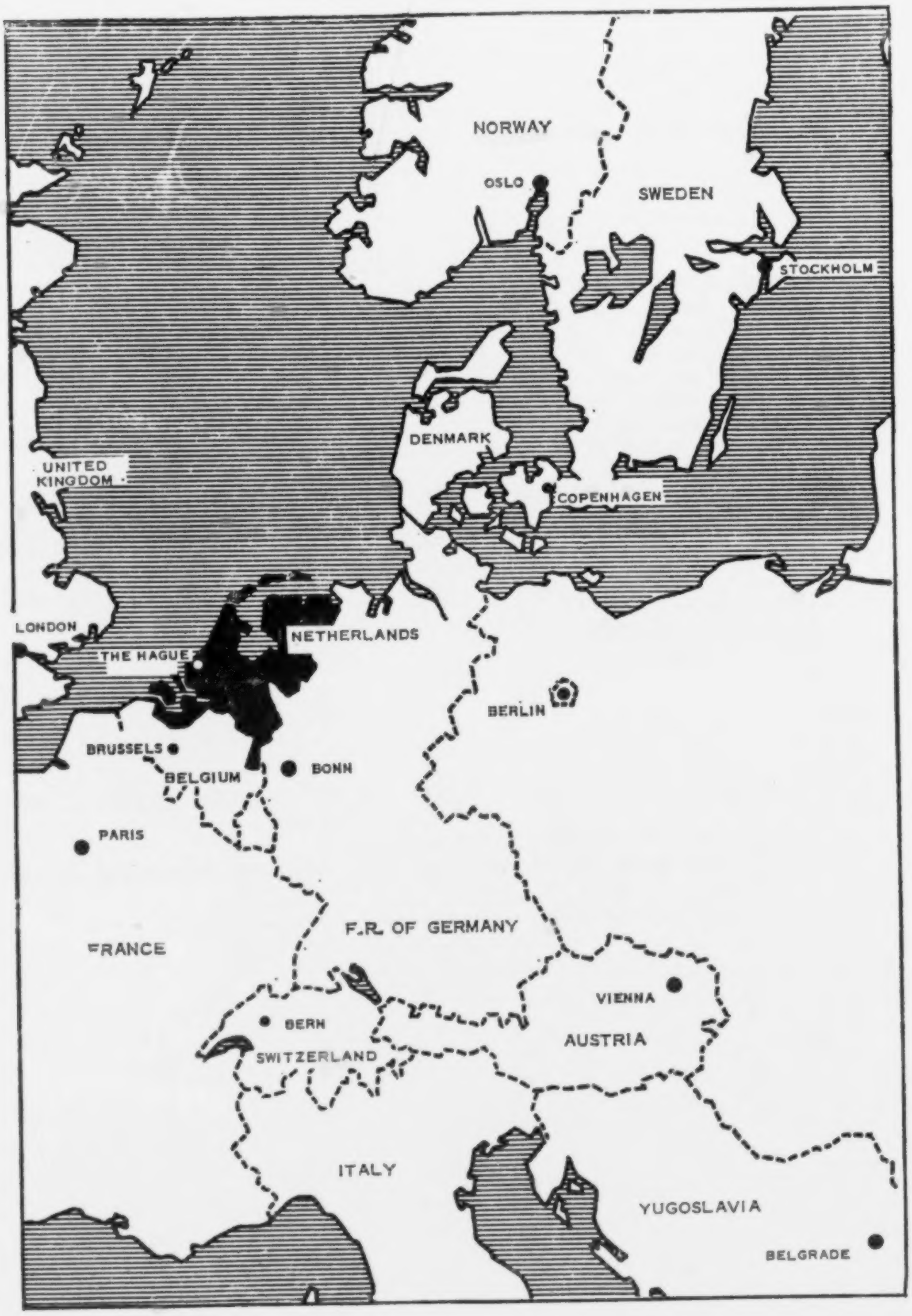
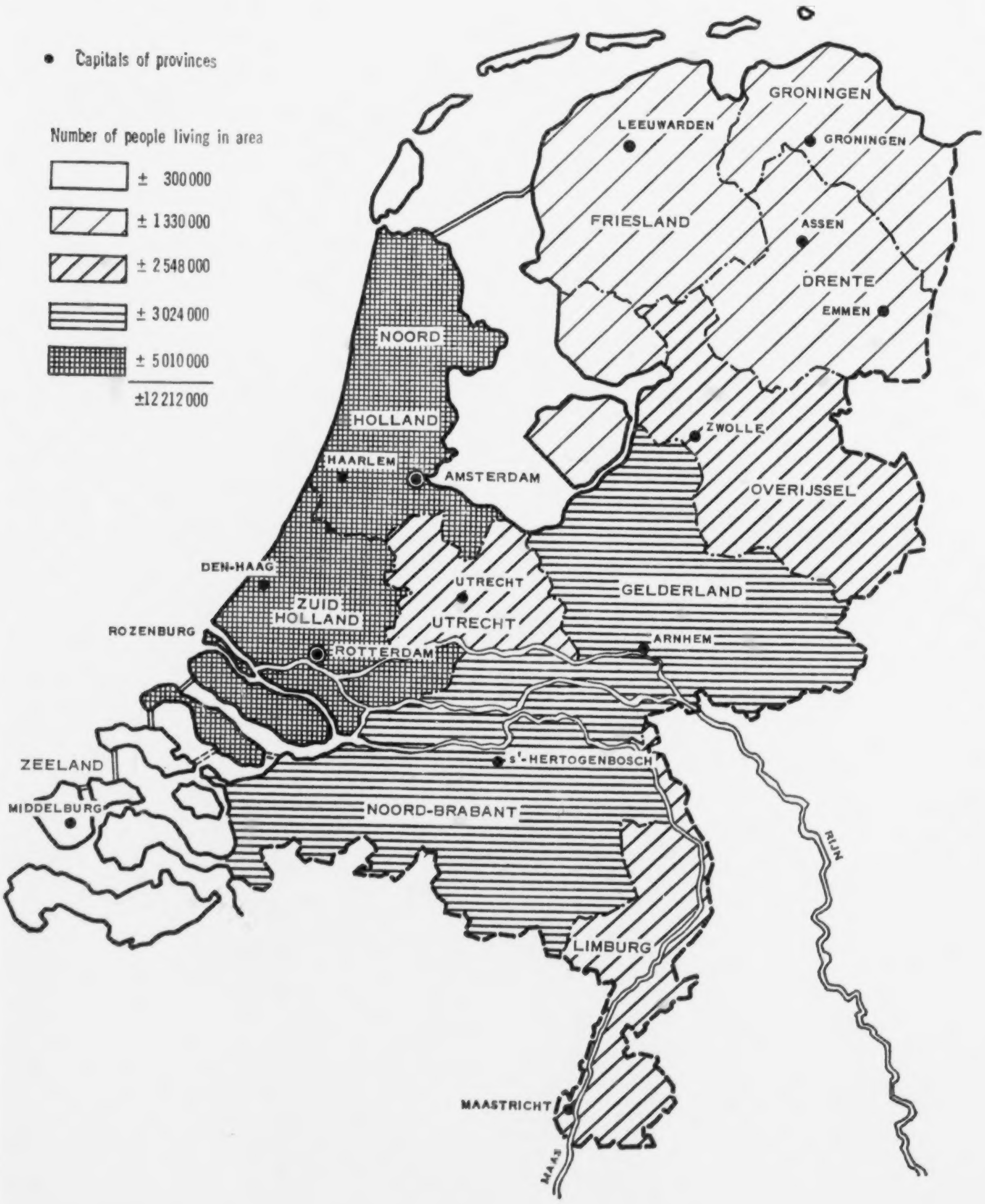
POSITION OF THE NETHERLANDS IN EUROPE


NORWAY
OSLO
SWEDEN
STOCKHOLM
DENMARK
COPENHAGEN
UNITED KINGDOM
LONDON
THE HAGUE
NETHERLANDS
BERLIN
BRUSSELS
BELGIUM
BONN
PARIS
F.R. OF GERMANY
FRANCE
VIENNA
BERN
AUSTRIA
SWITZERLAND
ITALY
YUGOSLAVIA
BELGRADE

DISTRIBUTION OF POPULATION IN THE NETHERLANDS


● Capitals of provinces
Number of people living in area
± 300 000
± 1 330 000
± 2 548 000
± 3 024 000
± 5 010 000
±12 212 000
GRONINGEN
LEEUWARDEN
GRONINGEN
FRIESLAND
ASSEN
DRENTE
EMMEN
NOORD
HOLLAND
HAARLEM
AMSTERDAM
ZWOLLE
OVERIJSSEL
DEN-HAAG
ZUID
HOLLAND
UTRECHT
UTRECHT
GELDERLAND
ROZENBURG
ROTTERDAM
ARNHEM
ZEELAND
S'-HERTOGENBOSCH
MIDDELBURG
NOORD-BRABANT
RIJN
LIMBURG
MAASTRICHT
MAAS

Chapter I

INTRODUCTION

1. The quickest way to understand the recent socio-economic development of the Netherlands is to look at it in microcosm ; this report therefore begins with two examples.

In the Eastern part of the Netherlands, in the Province of Drenthe, is a village called Emmen. The province is traditionally the poorest of the country and at the end of World War II Emmen was a place of no special importance in the area. About 54,000 people used to live there ; the main occupation was peat-cutting, there was no industry to speak of and unemployment figures ran high.

The turning point came in the year 1950, when private initiative took the lead in bringing new sources of income to the area. One of the important industrial concerns of the country, in need of expansion and in favour of decentralisation, found Emmen a suitable place in which to set up a new rayon factory. Local authorities, in close collaboration with the central government, built up the infra-structure necessary for settlement of industry. When sometime afterwards, a government regional industrialisation policy came into force, Emmen was designated as a development-nucleus. Between 1960 and 1964, 20 new industrial undertakings settled in the area with government assistance and 45 extensions of such undertakings were registered. During that time 10,197 people, among them 1,588 women, found employment in the new industries, bringing the formerly poor village to a high level of prosperity. The traditional exodus of young people came to an end, and at this moment about 73,000 people are living in the municipality. About 48 per cent of the working population is employed in industry, about 32 per cent in the service sector, while only 21 per cent stayed in agriculture.

A small island, called Rozenburg lies in the mouth of the rivers Meuse and Rhine between Rotterdam and the North Sea. Located in the very densely populated Western part of the country, in 1945 this area was covered by enormous concrete defences ; a few small villages and a bird-sanctuary completed the picture.

The town of Rotterdam, which was almost completely destroyed during the war, soon revived and again became an important world harbour. In and around the town, old and new industries flourished. The Rhine-Meuse-Delta proved to be an attractive location especially for the rapidly expanding petro-chemical industry ; large refineries and other plants were built along the New Waterway, the gateway from Rotterdam to the North Sea.

Nowadays, the oblong of Rozenburg teems with activities. The famous Europort, partly still under construction, designed to receive mammoth-tankers up to 100,000 tons, is situated on its shore, and large transshipments take place from there. For a long time now the native population has been supplemented by new settlers, by foreign labour and by a very large commuting labour force, filling the many vacancies available. Many of the workers come by road every day from the country and the islands south-west of the rivers ; they used to make their living in agriculture. These islands, incidentally, like Rozenburg, are now linked to the mainland by Delta-work-dykes and bridges.

These two examples, isolated as they are, can be regarded as significant for the recent developments in the Netherlands. Within less than 20 years, the country has become one of the industrialised parts of Western Europe, changing its former predominantly agricultural character, although international trade always has been — and still is — one of its important sources of wealth.

Naturally, this spectacular development has involved serious changes on the labour market. The steadily increasing demand for manpower has resulted in a general tightness of the labour market in most sectors, even affecting agricultural production to a certain degree, while different skills and attitudes are needed for more and more people in this fast changing world.

The basic principles of labour market policies as well as the organisation to serve the labour market, have been influenced strongly by these developments. The following chapters contain information on the structure of the country and its population, and indicate how, within the framework of the governmental organisation and the general socio-economic policy of the Netherlands Government, the responsible authorities set to work to solve these problems.

2. While the territory of the Netherlands[1] is small, the number of inhabitants is relatively large and is continuously increasing. Within its 33,600 square kilometres (13,000 square miles) there is a population of 12.3 million. The figure for 1940 was 8.9 million, for 1950 10.2 million, for 1960 11.6 million ; by the end of the century it is expected to reach 20 million.

A birth rate of 2.1 per cent and a death rate of 0.8 per cent are clearly the reasons for such a pronounced population increase. Both rates showed a gradual decline from 1900 up to 1960 ; since then the trend has become more stable. In recent years the influence of emigration on population figures has been slight.

The country is, indeed, one of the most densely populated in the world : it has more than 370 inhabitants per square kilometre (900 per square mile). Moreover, the population is unevenly distributed over the area. Nearly half of the total population lives in the three western provinces of North Holland, South Holland and Utrecht (where the four largest towns are located). The density of population there at 838 inhabitants per square kilometre amounts to 2 $^1/_2$ times the national average.

The working population consists of 57 per cent of the male and 16 per cent of the female population, together 37 per cent of the total population[2]. The marked difference in participation percentages for the two sexes must be attributed to the fact that relatively few married women — especially with children — are willing to go out to work. Generally, the percentage of total population represented by the age groups from which the working population comes, is gradually decreasing[1].

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[1] i.e. the territory in Europe. The territories of Suriname and the Netherlands Antilles, belonging to the Kingdom, are not included.

[2] Including members of the armed forces.

Fifty-six per cent of the present working population had a primary school education only, 41 per cent advanced primary or secondary general education or vocational training, and 3 per cent a full academic education.

The position of the Netherlands on the delta of the rivers Rhine and Meuse, has been a traditional source of economic activity in the form of international transport, trade, and the provision of services in general. Agriculture was another important part of the country's economy; land consolidation schemes and land-reclamation have been major policy measures and still are important. Development after World War II showed the trend common to industrialised countries : a movement out of the primary sector into the secondary and especially the tertiary sectors.

The distribution of the working population among primary (agriculture, fisheries, production of minerals), secondary (industry, including the building trade and public utilities) and tertiary (services) sectors in 1947 and 1960 was as follows :

TABLE 1. DISTRIBUTION OF THE WORKING POPULATION BETWEEN PRIMARY, SECONDARY AND TERTIARY SECTORS

	1947			1960		
	M	F	TOTAL	M	F	TOTAL
Primary	20.9	18.0	20.2	14.3	4.5	12.2
Secondary	39.3	17.5	34	45.9	22.6	40.7
Tertiary	33.6	64	41	36.9	72.7	44.8
Rest[1]	6.2	0.5	4.8	2.6	0.2	2.3
Total	100	100	100	100	100	100

1. Belongs to tertiary sector : mainly persons in military service.

This development has been accompanied by continuing urbanisation, especially in the western part of the country, which has led to a general interest in physical planning (i. e. town — and country — planning).

A feature not to be disregarded is the attitude of the population towards its religious structure. The 1960 census indicated that 40 per cent was Roman-Catholic, 38 per cent Protestant, 4 per cent of other denominations and 18 per cent unaffililated to a church. The co-existence in one country of quite different religious-conscious groups seems to have led to a built-in tendency to find compromises. Social groups have been organised according to religious conviction or philosophical outlook, giving a special character to the community. The historical development led to a strong inclination to base one's position in the social, the political and the cultural field on religious — or non-religious — philosophy. In this way the so-called "Pillar system" ("verzuiling") came into being.

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[1] See Annex 1, p. 79 for statistics on population and working population.

There are Roman-Catholic, Protestant and "general" schools of all types including universities ; the groups have their own hospitals, vocational guidance, emigration offices, and many other institutions. Societies of all kinds are divided along the same lines. There is a Roman-Catholic political party, and more than one Protestant party.

Employers' organisations and trade unions, of course, are no exception. The three largest trade union federations together represent 81 per cent of all organised workers, i.e. 32 per cent of the dependent working population.

The existing tendency towards compromise and co-operation was given a strong new impetus during the last war, when representatives of employers and of workers secretly agreed to speed up reconstruction after liberation by fostering industrial peace. In 1945 the Foundation of Labour emerged as an aspect of private enterprise. Its aim was to prevent or solve industrial conflicts by organised consultations between the federations of employers' associations and the three largest federations of trade unions. The Government accepted the institution gratefully, and it contributed largely to maintaining industrial peace. By an Act of 1950, the Social Economic Council[1] took over from the Foundation the function of central advisory body to the Government in matters of social and economic policy, but the latter still retained its influence with regard to wage policy.

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[1] For more details on the Social Economic Council see also Chapter III, p. 41.

Chapter II

ECONOMIC AND SOCIAL DEVELOPMENT SINCE 1945

A. THE POINT OF DEPARTURE

By the end of the Second World War in Europe, the economy of the Netherlands was at a nadir. Because of its reliance on international economic relations, the country had been severely affected by the world-wide economic depression of the Thirties, which had not lifted by the outbreak of the War. The real national income per head of population in 1939 was only 92 per cent of that in 1930, and the registered labour reserve still amounted to about 10 per cent of the total working population. Visible unemployment disappeared in the war years, but that was entirely the result of forced labour in the German war industry. At the end of the war practically all economic activity had come to a standstill. The war damage per head of the population was excessive ; amounting to 30 per cent of the national wealth. The health and the working capacity of the population had suffered severely. There was an enormous housing shortage, owing to the destruction of 92,000 dwellings and a standstill for years in house-building activities. The industrial equipment and agricultural machinery which had not been confiscated were worn out. Transport had come to a stop ; at least half of the capacity was lost and there was a total lack of fuel ; power supplies had ceased months before. In contrast to the production of goods which had steadily shrunk, the circulation of money had continually swelled, causing enormous inflation.

B. THE YEARS OF AUSTERITY (1945-1947)

First of all, large-scale imports of food and raw and auxiliary materials were inevitable in the first postwar years to restore the health and energy of the population and to get production started. These imports were financed by foreign loans, by liquidation of foreign investments acquired in better times and by drawing on the gold reserves.

Secondly, continuation of the inflation had to be prevented. In 1945 a currency reform was carried out by a complete withdrawal of paper money and the blocking of accounts. This reform was rounded off in 1946 by a capital-gains tax and by a non-recurrent capital levy.

A serious drawback to new economic growth was the change in the political and economic relationship with Indonesia. It must be remembered that in 1938 trade with that country had yielded 425 million guilders, a sum which meant a foreign exchange income for the country's economy.

The following figures give a concise picture of economic progress in the years before Marshall Aid became effective :

TABLE 2. ECONOMIC PROGRESS PRIOR TO MARSHALL AID, 1945-48

	1945	1946	1947	1948
Death rate per 1,000 inhabitants	15.3	8.5	8.1	7.9
Industrial production, excl. building trade (1938 = 100)	58	74	94	113
Industrial production, per worker (1938 = 100)	68	70	77	83
Registered labour reserve as % of dependent labour force	?	3.5	1.8	1.5

C. RECONSTRUCTION

Within 20 years it has been possible not only to repair the war damage (only the housing shortage has not yet been entirely solved), but also to reach an unprecedented level of prosperity : in 1964 the real national income per head was 167 per cent of that in 1930.

This result is due to a series of factors, including the people's willingness to live thriftily for many years and to work steadily, thus helping to make the social and economic policy of the Government successful[1]. One outstanding feature is the following. As stated above, the country's economy depends primarily on international economic relations. Since the economy had to be reconstructed and a great number of jobs had to be created, a rapid increase in exports was necessary. The economic policy was therefore geared to industrialization ; the general price level was kept down with the help of a wages policy and a price and rent policy.

The general willingness to aid in the country's rapid recovery is reflected in the maintenance of political and social peace ; the number of working days lost as a result of strikes in the most difficult years after the war was not even one fifth of the corresponding number after the First World War ; the number of working days lost through strikes since that period has also been negligible. The strict observance of the agreement[2] between employers' and employees' organisations to collaborate in the interests of reconstruction was, of course, of paramount influence.

D. THE PERIOD OF MARSHALL AID, 1948-1952

The economic aid from the United States came at the right moment, when for lack of impetus economic growth was turning into economic decline.

The excess of national expenditure over national income was increasing : fl. 1,345 million in 1946, fl. 1,522 million in 1947. Considerable restriction of expenditure would have become necessary if the Marshall Plan[3] had not come into effect. It enabled the country to continue to import necessary goods and also to profit from American experience in increasing productivity. In the years 1948-1952 it proved possible to abolish rationing of basic commodities and to make a start on Government-promoted industrialisation (The First Industrialisation Memorandum of 1949).

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[1] For more details of the social and economic policy see Chapter IV, p. 63.

[2] See also p. 34, the Foundation of Labour.

[3] The Marshall Aid to the Netherlands totalled US $ 1,137,600,000.

A recession in the United States in 1949 led to devaluation of the pound sterling, which carried the guilder in its train. The latter was devalued by 30 per cent in September of that year which prevented a retardation of economic growth. In 1948 the customs union with Belgium and Luxembourg (Benelux) came into force. From 1949 onwards trade with (Western) Germany, which had been the Netherlands' leading commercial partner before the war, began to increase again. 1949 also saw recognition of Indonesia as an independent state, after which commercial relations with that country could be resumed.

The balance of payments deficit decreased substantially.

The outbreak of the Korean War in 1950 once again led to a heavy balance of payments deficit. In 1951, therefore, a restriction of expenditure of 5 per cent on consumption and 25 % on investments (including investments in stockpiles) was introduced.

The following year, 1952, was one of economic reconstruction but also of recession. It yielded a surplus on the current account of the Netherlands balance of payments and encouraged the Government to declare that further Marshall Aid was no longer needed. The following figures give an indication of the development in this five-year period.

TABLE 3. ECONOMIC DEVELOPMENT, 1948-52

1949 = 100.

	1948	1949	1950	1951	1952
Real national income per head	95	100	100	99	100
Industrial production, excl. building	90	100	110	115	117
Industrial production, per worker	94	100	106	108	111
Real consumption per head		100	99	94	94
Balance of payments (Current account, millions of guilders)	— 1,440	— 310	— 1,130	— 270	+ 1,760
Registered labour reserve as a % of dependent labour force	1.5	2.2	2.8	3.2	4.7

E. THE BOOM OF 1953-1957

Although the end of the previous period saw the balance of payments on a sound footing, growing unemployment and stagnation in the growth of the real national income per head gave little reason for satisfaction. However, in 1953 an upward movement began, lasting a number of years. Thanks to this boom, the national economy was able to bear the cost of the damage of the great flood of 1953 without having to call on foreign aid again. To prevent a repetition of such a national disaster, the important decision was taken to close the estuaries (the "Delta Plan"), a project still requiring many years of work and considerable investment.

The boom led to a shortage of labour in the industrial centres, but unemployment in non-industrialised regions remained fairly high. The Government therefore put into effect a regional industrialisation policy ; bonuses could be obtained for new industrial construction in designated areas. On the other hand the migration of workers and their families from such regions to existing industrial centres was encouraged by subsidies (migration policy).

A new criterion was adopted in this period for the admissibility of wage increases ; since the end of the war the Government had permitted such increases only when a rise in the cost of living had made them strictly necessary. From 1954 onwards efforts were made to bring increases of the incomes of wage-earners into line with those of other receivers of incomes. In 1957 wages were already 30 per cent above the 1954 level.

National finance was on the whole developing favourably. Tax arrears were made up and the floating debt redeemed. But, when in 1956 interest in purchasing shares in Netherlands enterprises dwindled and municipal authorities contracted large loans to finance their housing programmes, money became scarce. National expenditure exceeded revenue, causing the Government to impose an expenditure restriction which put an end to the boom in 1957.

The development in that period is indicated by the following figures.

TABLE 4. ECONOMIC DEVELOPMENT 1952-58

1953 = 100.

	1952	1953	1954	1955	1956	1957	1958
Real national income per head	92	100	107	114	117	117	115
Industrial production, excl. building	91	100	110	118	123	126	127
Industrial production per worker	93	100	106	110	113	115	118
Real consumption per head	96	100	106	113	122	120	119
Balance of payments (millions of guilders)	+ 1,760	+ 1,360	+ 230	+ 780	— 750	— 590	+ 1,530
Registered labour reserve as a % of dependent labour force	4.7	3.4	2.4	1.7	1.3	1.6	3.0

F. THE PRESENT SITUATION

In 1958 a slow economic recovery started ; in 1959 a new boom began, which is still continuing. Unemployment, which was high in 1958, began to fall. The industrialisation policy[1], combined with the migration policy, even caused a drop in unemployment in areas outside the already industrialised part of the country, so that in 1960 it was felt that the existing form of the migration policy should be terminated. From then on undertakings were encouraged by subsidies to remove their plants from the west to development municipalities, taking key personnel and their families with them. In this way a contribution was made to regional industrialisation, while relieving the strain on the over-populated areas.

Economic growth received a new impetus by the development of the European Economic Community, which came into being on 1st January,

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[1] For results of the industrialisation policy see Annex 2.

1958. In the same year external convertibility of monetary units was introduced by the EEC and Britain.

The tension on the labour market in 1960 generated a strong demand for a reduction of working hours, and within a fairly short time the 45-hour, five-day working week was introduced. Despite gloomy predictions, the economy proved capable of sustaining this change. The same applied to the revaluation of the guilder by 5 per cent, which was decided on in 1961, following Germany. This measure did not lead to a drop in economic activity ; foreign demand remained at a high level, and the balance of payments still displayed large surpluses. In this period the Government began to recruit foreign labour for industry.

The pressure for wage increases under the effect of the tight labour market on the one hand, and on the other hand the Government's desire to control the development of wages in order to at least limit inflation, resulted in 1959 again in new criteria for permissible wage increases.

These were based on the productivity per branch of industry. But the system proved to be too complicated, and was soon dropped. In 1963 direct wage control by the Government was transferred to the Foundation of Labour. The great tension on the labour market during recent years has made it extremely difficult to restrict wage increases and a difficult period began for the instrument of wage policy.

The Government tries to counteract inflationary pressures not only by wage-policy measures, but also by controlling price increases as far as possible.

The overall economic development remained favourable as shown in the following data.

TABLE 5. ECONOMIC DEVELOPMENT 1958-66

1958 = 100.

	1958	1959	1960	1961	1962	1963	1964	1965	1966
Real national income per head	100	105	113	116	119	121	130	136	142
Industrial production excl. building	100	119	121	126	133	139	151	162	173
Industrial production per worker	100	108	117	119	123	128	138	146	155
Real consumption per head.	100	103	108	113	119	125	131	139	143
Balance of payments (*millions of guilders*)	+ 1,530	+ 1,780	+ 1,240	+ 630	+ 500	+ 350	— 730	+ 300	— 400
Registered labour reserve as % of dependent labour force	3.0	2.3	1.5	1.0	0.9	0.9	0.8	0.9	1.0

In the years immediately after the war, interest was principally directed to long-term economic growth. Later on, economic development invited more attention to the short-term fluctuations in the balance of payments. But when during recent years, the shortage of labour appeared to become persistent, interest in longer term development again prevailed. This was one of the reasons for developing a growth model for the medium-long-term.

At the present time (May 1966), productivity, production and real national income are still increasing. But certain signs of economic instability have become visible. National expenditure threatens to outrun national income, which is reflected in the balance of payments. A deficit in 1964 was eliminated in the following year, largely by a reduction of commodity stocks, but another deficit is expected in 1966. The Government, carrying out an extensive public investment programme in order to improve education, transport and housing, is taking measures to limit private consumption by imposing higher indirect taxes. In 1966 the growth of real per capita consumption will probably be less than in previous years. The labour market is expected to remain tight, though in 1965 the registered labour reserve increased slightly. The pressure for higher wages will also continue and will remain hard to resist. Although in theory wages are controlled by the Foundation of Labour, the Government has been induced recently to re-assume its former determining position, in order to prevent excessive increases. The Government will also take a firmer stand in controlling rising prices ; the average for 1966 is expected to be 5 per cent higher than for the preceding year. The export position of the country nevertheless remains favourable.

Chapter III

GOVERNMENTAL ORGANISATION

A. THE POLITICAL ORGANISATION OF THE NETHERLANDS

The Netherlands is a hereditary constitutional monarchy. Under the constitution, legislative and controlling powers are vested in a Two-Chamber Parliament, executive power with a Council of Ministers. Citizens of 21 years and over have electoral rights. There is proportional representation in Parliament — as well as in lower elected bodies.

Historical development, and especially the inclination of the population to be organised socially and politically according to their religious or philosophical outlook on life, has led to the existence of a number of political parties. As no single party ever obtains an absolute majority, a Cabinet of Ministers is formed by coalition agreements between different parties.

Ministers are heads of government departments (ministries) ; they are directly responsible to Parliament. Most of the Ministers are assisted by one or more under-ministers who are also politically nominated. The Cabinet is presided over by a Prime Minister whose function is predominantly one of co-ordination[1].

The principal policy decisions are taken by the Council of Ministers. In accordance with their decisions, the Ministers of Economic Affairs and of Social Affairs (and Public Health), together with the Minister of Finance, are more specifically responsible for socio-economic matters. The Ministers of Agriculture and Fisheries, and of Housing and Physical Planning, are also concerned. They all belong to the Council for Economic Affairs within the Cabinet ; the President of the Circulation Bank (Nederlandse Bank) and a small number of senior civil servants participate in the deliberations of this body.

Civil servants, even in the highest ranks, are not appointed politically and, are not therefore dismissed when Cabinets change. They play an important role in the preparation of ministerial policy decisions and have executive powers by delegation of authority or by legal regulations.

Advisory bodies to the Government exist in many fields and especially in the social and economic sphere ; they cover all levels of executive authority. They are generally composed of representatives of the organisations of employers and of employees, independent experts who may be Government officials, and sometimes of private organisations.

The *Social Economic Council* (Sociaal-Economische Raad), created by an Act of 1950, made possible the establishment of public regulatory boards with representatives of employees and employers for three categories

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[1] For an outline survey of government departments see Annex 3.

— commodity boards, central industry boards, and industry boards. These boards deal primarily with commercial and production issues, though they may also discuss wages, productivity, vocational education and questions of employment and unemployment.

The Social Economic Council consists of 45 members — one third appointed by employers' organisations, one third by employees' organisations and one third by the Crown.

The Crown members are independent experts on economic and social questions. Government as such is not represented on the Council, but the Ministers and their representatives are authorised to attend the monthly meetings of the Council and its committees in a consultative capacity. The Council's operations are financed by annual levies on all Netherlands' enterprises.

The most important function of the Economic and Social Council is its position as an advisory body to the Government on social and economic problems. Ministers are required to submit to the Council for advice all proposals for important measures in the economic and social field — including those for the introduction of new legislation — unless such a request is deemed to be contrary to the national interest. Furthermore, the Council is authorised to advise the Government on its own initiative ; however, this right has seldom been exercised.

The Council does not have a large secretariat, but has a number of full-time professional staff members. For the technical aspects of its work, it relies on the Central Planning Bureau. It is also empowered to hold hearings.

B. THE MINISTRY OF SOCIAL AFFAIRS AND PUBLIC HEALTH

Manpower policy and the organisation of the labour market are important elements in the complex of governmental responsibilities entrusted to this Ministry. Therefore, some general information on the organisation of the Ministry — which includes what in other countries is known as a Ministry of Labour — may be helpful[1].

The political head of the Ministry is a Minister, who is assisted by two Under Ministers. They are assisted by a Secretary-General who is responsible for internal and external co-ordination and for matters of organisation and management in general.

The Ministry is divided into six main branches, each headed by a Director-General and each with its own responsibilities. A full description of the unit most relevant for this examination — the General-Directorate of Manpower — will be given in Part C of this chapter. A review of the other branches, with an indication of their relation to each other and to the General-Directorate of Manpower is given below.

1. THE GENERAL DIRECTORATE FOR PUBLIC HEALTH

This contains two main departments, one for (public) Health Care and the other for (public) Health Protection.

Regular contacts exist, especially with the (Labour-) Medical Division of the General Directorate of Manpower. The special health problems with regard to foreign workers, for example, have recently been a matter of mutual study and action.

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[1] For the structure of the Ministry see Annex 4.

2. THE GENERAL-DIRECTORATE FOR LABOUR (PROTECTION)

This general directorate is mainly concerned with protective labour legislation, especially with safety standards, and with the proper execution of relevant regulations. It collaborates regularly with the General-Directorate for Manpower in various fields ; for example consultation always takes place when undertakings ask permission to reduce working hours, as such measures obviously influence the situation on the labour market. At local level there is collaboration in dismissal procedures[1] ; in such matters labour-inspectors are ex officio advisers to the directors of employment offices.

3. THE GENERAL-DIRECTORATE FOR SOCIAL PROVISIONS AND LABOUR RELATIONS

This General-Directorate is divided into three main divisions all of which have many points of contact with the General-Directorate for Manpower.

a) *Social Insurance Division*

The division's task is to prepare and to execute laws and regulations in its field. Labour market authorities are guided by experts from this sector in social insurance affairs generally and in individual questions. In matters of international regulations or agreements on behalf of foreign workers on social security provisions, collaboration between the two General-Directorates is the regular procedure.

b) *Labour Relations Division*

The division is entrusted with the preparation and execution of the Ministry's labour relations policy, including the most important, wage policy. In connection with labour relations they handle contacts with the social partners, e. g. in wage discussions etc.

When it was felt necessary to make regulations against professional lending-out of personnel, mainly because of avoidance of many of the regulations covering labour relations, this was done in close collaboration with the General-Directorate for Manpower.

c) *Complementary Social Provisions Division*

The main task of the division is the administration of regulations regarding sheltered employment. There is a direct liaison with the General-Directorate for Manpower : candidates for admittance to sheltered employment must be registered at an employment office. The directors of these offices are members of the advisory boards to the (municipal) decision-making authorities.

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[1] For dismissal procedure see also Chapter III. C. p. 47.

4. THE GENERAL-DIRECTORATE FOR INTERNATIONAL AFFAIRS

The General Directorate of General Policy Matters is divided into names of the two main divisions :

a) *International Social and Public Health Affairs*

The main tasks of this division are to advise the Minister and the other general directorates on matters of international policy, to co-ordinate basic general policy in the numerous international activities of the other sectors, to represent the Ministry in inter-governmental committees, international meetings and in contacts with related ministries in foreign countries or their representative agencies in the Netherlands, and to receive visitors from abroad ; it is also responsible for communication with the Ministry of Foreign Affairs.

International activities in the different sectors of the Ministry are generally specialized and must therefore be handled by experts. On the other hand, in recent years the country has become a party to so many multilateral and bilateral agreements that the co-ordination of the ensuing activities of the Ministry must be regarded as a major objective. The present examination of the Netherlands is one of many examples of international activities in which the General-Directorate of Manpower is engaged together with other sectors of the Ministry and other ministries.

In many cases policy has been influenced — in some cases even conditioned — by the work of international organisations. In the manpower field, agreements have been concluded with other governments to regulate the recruitment of foreign workers ; the preceding negotiations with foreign counterparts, the permanent relations afterwards and the manning of recruitment offices abroad are technical matters which must not only be handled by manpower specialists, but which depend on national manpower policy and the conditions of the labour market. It is clear that it is extremely difficult — if not impossible — to stipulate exactly where the competence of one general-directorate ends and that of the other begins. Such difficulties can be — and are — solved pragmatically rather than formally.

b) *Emigration*[1]

The Minister of Social Affairs and Public Health is responsible for emigration affairs. *The Emigration Council* acts as an advisory body to the Minister.

The *Director of Emigration* deals with the official direction of the governmental part of the emigration work, co-operation with private organisations working in this field, and external emigration relations.

The *Netherlands Emigration Service* is a semi-governmental organisation, responsible for the management of emigration. The *Emigration Board* co-ordinates the work done by the Government and by private organisations in the field of emigration.

Finally, for assistance to intending migrants, there are *application organisations,* which include public and private offices. Employment offices, belonging to the General-Directorate for Manpower, are designated as public information offices, where civil servants act as information officers. The organisation of public and social life in the Netherlands in conformity with the religious and philosophical view of life of its citizens applies also to the emigration institutions : the Roman Catholics, the Protestants and the Non-Conformists have each founded one or more organisations ; five of them have been authorized to act as application services, and receive an annual subsidy from the Government for their work.

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[1] For more details on emigration see Annex 6 from which this part of the chapter is an extract.

The Government adheres to the principle of freedom to emigrate, but did not play an active and organising role in the emigration until after the Second World War. Its present attitude must be viewed against the background of the demographic situation. The Netherlands is a densely populated country with the highest birthrate of Western Europe, and before the end of the century it will have to accommodate and provide work for a population of 20 million (1965 : 12.3 million). The Government therefore facilitates the emigration of those who prefer to settle elsewhere. In the present situation, however, with numerous vacancies on the home labour market, it would not be feasible to encourage emigration actively. The Government's policy is to keep an adequate organisation to give objective information to applicants about the opportunities and prospects in the receiving countries, and to assist migrants to realise their plans.

Since 1945 a total of 430,000 people migrated with Government assistance. In comparison with the peak year 1952 (48,000 migrants), the actual figures are modest (1965 : 8,600), though recent statistics show a slightly rising trend again. The main receiving countries were Canada (153,000), Australia (126,000), the United States (80,000), South Africa (34,000), New Zealand (24,000), and to a lesser extent Brazil (5,000).

5. THE GENERAL DIRECTORATE OF GENERAL POLICY MATTERS (GPM)

This directorate was created only two years ago, when it was felt that better internal co-ordination of the social and economic aspects of policies, and of the Ministry's policies within the overall socio-economic policy of the Government was needed. Since then, the Ministry's research in these fields is also co-ordinated by the new directorate. Naturally, it has many points of contact with the other main branches of the Ministry, and especially with the General-Directorate of Manpower, which is the reason for describing its responsibilities and organisation in some detail.

"GPM's" task is to advise on policies, not to execute them ; that is the duty of other general-directorates. The studies, research and investigations which it undertakes, on its own initiative or at the request of the other general-directorates, are intended to prepare and to support their policy measures. It acts as the central research institution of the Ministry.

A few examples may illustrate "GPM's" position : when general wage increases are under consideration, it advises on general economic prospects and on the expected consequences of the economic process but not on the legal and institutional implications of wage policy. A proposed social insurance act has economic and financial implications ; "GPM" will advise on them ; it is also concerned with the study of the impact of financing social security on the wage policy, or of the effects of a given wage policy on the labour market.

It has similar responsibilities in the manpower field where it carries out general economic and social research and prepares statistics[1]. The co-ordination of these advisory and research tasks within one directorate must improve the homogeneity of policy measures.

Obviously, this set-up requires a high degree of co-operation between GPM and the other directorates. In cases where the general economic or social aspects of a problem are of paramount interest (e. g. the overall economic wage-cost increase) GPM advises the Minister directly. When the economic and social aspects are just two of many other aspects, GPM gives advice on these aspects to the directorates which have the executive responsibility (impact of wage increases on the social insurance benefits ; general social aspects of vocational training systems, the estimated unemployment level with regard to additional work policy). GPM has therefore an important servicing function vis-à-vis the executive directorates ; in a situation of growing co-operation it may exercise a stimulating influence on policy measures. Agreement between the directorates and GPM has nearly always been reached on policy problems.

The General-Directorate of General Policy Matters is divided into three divisions :

a) Economic Policy Division,
b) Social Policy Division,
c) Structural socio-economic studies and a bureau to co-ordinate parliamentary contacts.

The third division has not yet been constituted but, when staffed, it will concentrate solely on long-term policy questions such as population growth, automation, income distribution and the long-run evolution of the financing of social security programmes.

a) *The Economic Policy Division* provides advice for the entire Ministry on matters of general economic policy. It is divided into a bureau for socio-economic policy questions, which advises the Minister on budgetary, fiscal, international economic, monetary and related problems ; a bureau on wage- and business cycle policy, which is responsible for the economic aspects of the wage policy, of the social insurance, and related matters ; finally a bureau for labour market policy. This bureau is responsible for statistics on the labour market (based on data collected by the employment offices) and advises and carries out research on the economic aspects of the labour market.

A monthly report on the labour market is prepared, causes of unemployment are analysed, shortages of labour estimated. The possibilities of an estimate of long-term labour supply are at present being investigated. An important function is, of course, to advise on labour market policy, for the internal needs of the Ministry and for use in the formulation of national economic policy.

b) *The Social Policy Division.* The division advises on social aspects of policy, such as those with regard to the Government's physical planning policy etc. It also undertakes its own studies with or without the collaboration of outside institutions. To give a few examples which may provide a framework to evaluate labour market policies : socio-cultural factors which prevent married women from entering the labour force ; possibilities of retraining for redundant workers in the declining mining industry ; the changing structure of administrative jobs ; the influence of rising income on the social status of jobs ; etc.

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[1] For principal statistics and for current research programmes for the labour market see Annex 7.

This division is responsible for co-ordination of research for the whole Ministry ; its task is to stimulate research, to evaluate projects, to determine priorities, and to supervise accepted projects.

C. THE GENERAL DIRECTORATE FOR MANPOWER ("ARBVO")[1]

1. General Information and Tasks

The policy, executive function, and organisation of this large branch of the Ministry of Social Affairs and Public Health can be understood best in relation to its aims.

There are two decisive characteristics of the labour market which to a large extent are fixed data at any given moment for the authorities responsible for manpower : total employment opportunities on the one hand and the size and characteristics of the labour force on the other. This, of course, does not mean that "ARBVO" has no influence at all on these matters. The creation of employment opportunities is influenced by general Government policy in the formulation of which the Ministry of Social Affairs and Public Health has a voice, but not the primary responsibility. The number of workers can be changed too, to a certain extent, by attracting or by discouraging potential labour reserves, and by the policy with regard to the admission of foreign workers.

There is a growing acceptance in other ministries of advice from labour market authorities. Developments in recent years have brought manpower problems to the attention of all concerned with the formulation of overall policies, and have led to a better understanding of the factor labour in general.

As the goal of manpower policy is to prevent or to correct frictions on the labour market, the labour force must as far as possible be adapted qualitatively and quantitatively to the actual and the future situation on the labour market.

The main policy instruments used to achieve the above objective are :

1. the placement of labour in all its forms, i. e. advising job seekers and placing them in suitable employment on the one hand, and seeking suitable candidates for notified vacancies on the other ;
2. vocational training for adults to prepare them for suitable jobs ;
3. occupational counselling and vocational guidance for the whole population ;
4. provision of supplementary employment opportunities for seasonal or structural unemployed ;
5. a number of selective instruments, such as dismissal and resignation regulations, migration schemes, measures for special groups.

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[1] The name in Dutch is " Directoraat-Generaal voor de *ARB*eids-*VO*rziening ", therefore known for short as " ARBVO ".

The Director-General is directly responsible to the Minister and the Under-Minister for Labour Affairs ; he has a number of staff bureaux at his disposal. One of them handles the management of the 2,500 civil servants in the Service and another the financial affairs. The staff also includes a special adviser for applied labour market research, one of whose functions is to co-ordinate research on the district- and regional level in collaboration with the Directorate for General Policy Matters.

There is, in addition, an office for a special adviser for training in and on behalf of the Service. Standards have been established for all ranks in the Service with regard to qualifications of officers, including demands for specialised knowledge. Special in-service training courses have been created to meet such demands and institutional training has been sponsored. The introduction, orientation and instruction of new staff members has also been thoroughly organised[1]. It is felt that the efficiency of the service depends to a large degree on a high standard of knowledge and ability and the mentality of its officers.

The "ARBVO"-Service is organised at three levels :

— the *Central Service* in the Ministry in The Hague ;
— 11 *District* (= provincial) Employment Offices and 4 district offices for supplementary employment ;
— 90 *Regional* (= local area) Employment Offices, 45 Branch Offices, and 25 Vocational Training Centres for Adults.

2. THE ORGANISATION AT CENTRAL LEVEL

Apart from the Director-General's office, the Central Office is divided into three main parts :

a) *Directorate of General Employment Policy*

This includes manpower consultants' bureaux for agriculture, the building industry, the manufacturing industry, and for services. These manpower consultants ensure expert knowledge of the problems in the different sectors of employment. There is a bureau for emergency labour supply, and a division for international labour market affairs and emigration.

As its name indicates, the directorate deals with national matters of a general nature, more specifically in the fields covered by its special consultants. It is responsible for the *policy* of training for adults in government vocational training centres[2] and for their training within industry. It can grant allowances to employers for such training under certain conditions. Another duty is preparation of policies and administration of migration schemes for workers and their families.

It prepares emergency measures in case of national disasters and war. Furthermore, it maintains contacts with international organisations, and is responsible for recruitment and placement of foreign workers[3] as well as for the duties of the Service with regard to emigration[4]. It formulates policies and provides materials to guide the employment services throughout the country especially regarding placement duties.

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[1] For a review of staff training see Annex 8.
[2] For vocational training of adults see also p. 49.
[3] For foreign workers see also p. 56.
[4] On emigration see also p. 57 and Annex 6.

b) *Directorate of Specialised Employment Policy*

This includes manpower consultants bureaux for young people, female, and disabled workers. In the near future it will extend its services to university graduates and other personnel at management level. Other divisions in the department deal with Occupational Orientation and Research, Vocational Guidance, Medical Affairs, and Lodging of Workers and Social Assistance.

The specialisation of this directorate is based on the principle that an efficient employment service needs a scientific background in order to be able to guide job-seekers, and well-formulated policies and techniques to fulfil the directly related social duties.

Formulation of policies, guidance and provision of material in this field to employment offices throughout the country, is the task of this directorate. More details will be found in the description of employment offices.

c) *Directorate of Supplementary Employment Policy and Vocational Training*

i) *Supplementary Employment*

This part of the directorate is responsible for providing job opportunities to registered job-seekers who cannot be placed immediately in the open market ; this is done by planning and subsidising public works to reduce unemployment.

Supplementary employment is regarded as one of the major potential instruments of the Netherlands' labour market policy[1].

ii) *Vocational Training for Adults*

The Vocational Training Division forms the other important part of this directorate. On the basis of general policy guide-lines, it prepares, directs and supervises *accelerated training for adults* (as a rule 18 to 50 years) in government training centres.

In order to alleviate the extensive and continually changing demand for technically skilled manpower and to provide possibilities for the social promotion of workers, 25 such institutions have been established by the Service throughout the country, and more will be installed in the near future. Unemployed workers and those threatened with unemployment, can be trained there for a metal trade or a building trade ; new centres may be devoted to trades in the processing industry. Training in these centres is given individually, according to a pattern of carefully graduated tasks, under conditions closely resembling those in industry. Trainees receive financial compensation for loss of wages during the training period, including social security facilities, and reimbursement for costs of travel and lodging if necessary. Employers may also place their workers in the centres, if places are available, the Government bearing the full training expenses. From the time of their establishment after World War II up to the end of 1965, these centres have prepared about 70,000 people for skilled jobs, 92 per cent successfully. Owing to the tightness of the labour market and the relatively small difference between wages for skilled and non — or semi-skilled jobs, the number enrolling is generally not higher than the existing facilities can manage. But special incentives have resulted in a considerable increase in the number of trainees for building trades.

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[1] For review of background organisation and working methods of Supplementary Employment, see Annex 10.

The Ministry of Education and Sciences is responsible for the *Vocational training of young people,* with the exception of agricultural training which is covered by the Ministry of Agriculture and Fisheries.

The Netherlands has extensive and well developed systems of vocational training in schools of different levels as well as in apprenticeship within industry[1].

There is regular collaboration between "ARBVO" and the authorities responsible for education and training of young people, especially in the fields of occupational orientation and vocational guidance.

d) *Co-ordination at the Central Level*

As has been shown, each of the three departments within the General-Directorate for Manpower has its own responsibilities. But they have also many inter-related duties, and are bound by certain legal responsibilities and overall policies. Naturally, in a large service belonging to an important Ministry, this situation creates problems of co-ordination which cannot be solved by ad hoc means only.

To achieve co-ordination and a steady flow of information, weekly meetings are held at various senior levels. In this way the Minister consults with the Directors-General and his senior staff members. The Director-General for Manpower in his turn meets with his Directors, advisers and heads of divisions ; the Directors again with their consultants and heads of divisions.

Once a month there is a meeting of those responsible for any sector of the central Service, under the chairmanship of the Director-General. Other monthly meetings are devoted to consultations between the top officials and the Chief-Inspectors/Manpower Directors for the provinces and the district heads for supplementary employment. All these regular meetings, apart from their co-ordinating function, play an important role in the preparation of policy decisions on the one hand, and in the dissemination of policy guidance from the top to lower functional levels on the other.

Co-ordination is also ensured by a number of permanent working groups within the Service, within the ministry, and, of course, by interministerial committees. This formalisation does not preclude the possibility of ad-hoc solutions to problems, nor the necessary informal contacts between different sectors. The Deputy Director-General is responsible for all co-ordination matters.

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[1] For a short review of educational organisation see Annex 11.

e) *Outside Advisory Bodies*

On the national level, the Manpower Service is assisted by a committee instituted by a Royal Decree which states that the Director-General for Manpower is to be assisted by a Central Advisory and Assistance Board. The chairman and the members are to be appointed by the Minister of Social Affairs and Public Health. Not less than two representatives of (representative) organisations of employers and an equal number of representatives of (representative) organisations of employees shall have seats on the Boards.

The Central Advisory and Assistance Board advises the Minister and the Director-General for Manpower, either on request or on its own initiative, in matters relating to the Service[1].

The membership of this board is as follows : an independent expert as chairman ; 3 representatives of the unions (one each for the Socialist, the Roman Catholic, and the Protestant federations) ; 3 representatives of employers' organisations (also one each for the major groups and one for the neutral Central Social Employers Federation) ; 1 representative from the Union of Municipalities, 1 representative from the National Women's Committee ; and one other independent expert, 10 members in all. An official of the Service acts as Secretary to the Board.

The function as well as the composition of this Board are an example of the way in which the social partners and independent experts directly assist and take part in the work of the government. The Director-General informs the Board of all important developments and problems and, as the members receive copies of all instructions to employment offices throughout the country (often before distribution), they are able to form opinions and discuss them freely during the monthly meetings.

The Board has set up sub-committees on vocational training, problems of handicapped workers, traineeships, agriculture, and foreign workers respectively. They are usually presided over by a member of the Central Board and their composition is in principle the same : the members are experts in the sphere of work of the sub-committee.

Apart from this Board, the "ARBVO"-Service at the central level is closely connected with various other advisory bodies such as : the Public Works Co-ordinating Committee, of which the Director-General for Manpower is the chairman ; the Industrial Development Committee for Problem areas ; the Inter-departmental Co-ordinating Committee on Open-Air-Recreation and Tourism, the Government Planning Service ; the National Council for Vocational Guidance ; the Inter-Ministerial Committee on policies for foreign workers ; some standing Committees of the Social Economic Council ; etc.

3. THE ORGANISATION AT PROVINCIAL LEVEL

Various ministries and/or central government services are represented in the capitals of the eleven provinces of the country ; Royal Commissioners hold office there as the highest provincial authorities. The *District Em-*

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[1] One branch of this Central Board is occupied with Supplementary Employment Policy.

ployment Offices[1] of the "ARBVO"-Service are located in the same towns headed by a Chief-Inspector/Director[2] for Manpower who is directly responsible to the Director-General for Manpower and, like all other officers of the Service, is a servant of the central government.

In a Service with many complicated and specialised tasks and with a widespread network of local offices, the "*DBA's*" are regarded as indispensable links between the Central Service and the executive units ; without them there would be too great a gap between the two.

The task of the "HID" is as follows :

1. to represent the Director-General in his province, which entails making his own policy decisions in accordance with the general policy guidelines but adapted to the provincial situation and circumstances ;
2. to participate in central policy making ; to transfer policy from the central service to local units ;
3. to give the Director-General facts and figures, as well as his personal views about the labour market situation in his district ;
4. to guide, to supervise and control local units.

The line of authority between the Central Service and the provincial and local level runs via the "HID". He can, and often does, invoke the assistance of experts from the central service for the information and guidance of the officers in his district.

The "DBA" unit is small but includes a number of qualified officers. In the near future the number will be increased, qualifications will be higher, and more university graduates will be included. The principal reason for this is the growing necessity to collect and process scientific basic material for research on the labour market, which can be obtained at the local and the provincial level. Research as such is concentrated in the General-Directorate for General Policy Matters for the Ministry ; a "consultant of regional employment research", belonging to the staff of the "HID", will be appointed to direct and to control the work on the micro-level and to transmit the results. An inspector and a secretary are the other principal assistants to the "HID".

In the interests of efficiency, certain specialists, such as experts on occupational research (job analysers), medical advisers and emigration information officers, are attached to the DBA, although their tasks are performed at Regional (local) Employment Offices ; in many cases a single unit cannot offer a full time job for them. Psychological advisers, at present under the direct control of the Central Service, will probably also be added to this category.

The "HID's", who have their monthly meetings with the Director-General and the Directors, have regular meetings with the Directors of Regional Employment Offices and Vocational Training Centres in their district, which provides a means of ensuring communication in addition to the normal written information and instructions and occasional personal contacts.

The Director responsible for Supplementary Employment Policy maintains four highly specialised *District Offices for Civil Projects* under his direct authority. Social officers, acting for inmates of Workers' Lodging Centres and for trainees of Vocational Training Centres, are under the control of the Director for Specialised Employment Policy.

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[1] Netherlands *D*istrict *B*ureau voor de *A*rbeidsvoorziening, for short : " DBA ".
[2] *H*oofd-*I*nspecteur/*D*irecteur, for short " HID ".

4. THE ORGANISATION AT REGIONAL LEVEL

a) *Introduction*

There are at present 90 *Regional* (= local area) Employment Offices[1] ("GAB's") under the supervision of the HID's[2] in the eleven provinces of the country. Under the regional offices are 45 *Branch-Offices,* in smaller communities and in rural areas. "GAB's" and their subsidiaries are located in accordance with the density of the population and distributed in such a way that in effect everybody has access to an employment office within a reasonable distance.

Although the "ARBVO"-Service holds a monopoly for the placement of workers (there are only a few licensed private agencies for special groups), nobody is compelled to hire a worker or to accept employment through the intermediary of an employment office, nor is it necessary to register changes in employment. There is an exception for aliens who need a permit to work.

This freedom in the establishment of labour relations does not apply to their termination : both employer and job-holder are forbidden to terminate relations without the permission of the Director of the Regional Employment Office, unless there is mutual consent between the parties concerned, or for "urgent reasons" in accordance with civil law[3].

Employment Offices are not concerned with the administration or the payment of unemployment benefits or any other social security regulation. But claimants to unemployment benefits must be registered as applicants for employment, and must accept jobs offered if they are considered suitable ; if opinions differ on this point, the Director of the GAB decides. There is no priority in placement as all registered job seekers are treated equally.

It is in the local units, the GAB's, that the public service of the organisation becomes effective and is in the public eye ; the effectiveness is strongly influenced by the "image" of the "ARBVO"-Service in the community. To understand the historical background this should be taken into consideration as well as the present tight labour market situation.

The Placement of Labour Act of 1930, which is still in force, laid down the monopolistic status of the service. Then came the pre-war depression, causing the "labour exchange" to be generally regarded as an institution for the countless unemployed, most of them unskilled workers.

The present form of the employment offices as a public service for the placement of labour, operating as a government organisation, came into being during the second World War. As was to be expected, the occupying forces used this body for their own purposes, especially the "Arbeitseinsatz". When liberation came, the employment offices had a bad reputation, despite many acts of patriotism by their officials. Fairly soon the image improved to some extent by rigorous staff changes, the creation of advisory committees, and above all by expansion of the tasks and the new ways in which they were performed. The employment office established a place of its own in the local community. Certain groups, especially the more highly skilled personnel of secondary school and university level, have not yet found their way to the GAB's, although a change for the better is gradually occurring; but in the prevailing labour shortage situation many other skilled workers also find employment without the assistance of the service.

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[1] Netherlands Gewestelijk Arbeids Bureau, for short " GAB ".

[2] " HID " = chief-inspector/director.

[3] For a short review of the " Extraordinary Labour Relations Decree 1945 " see Annex 11.

On the employer's side the situation is about the same. Demands for manual workers and employees of junior or intermediate level are generally transmitted to the GAB; highly skilled specialists and senior personnel are usually found by other methods, mostly advertisements.

However, the service is constantly engaged on presenting its new look to the public; considerable sums are spent on centrally located modern buildings for employment offices, training of placement officers and the employment of many specialists, such as youth counsellors, vocational advisers, psychologists, medical advisers etc. It has been said that the old buildings were full of people, while the new glass-walled offices are conspicuously empty — which is true to a certain degree, thanks to the abundance of employment opportunities — but it is certainly true that the behaviour of "clients" and officers has changed too in the new surroundings. An atmosphere of mutual respect prevails, showing even in such details as the absence of cigarette butts on the floors.

b) *The Organisation of Regional Employment Offices*

The figure on page 55 shows the basic scheme of the set-up of a "GAB". In the large offices in bigger towns one or more officers are responsible for each function; in smaller communities one man may have to cover more than one function.

i) *The Tasks and Responsibility of the Director of a "GAB"* emerge clearly from this diagram; in spite of a considerable amount of written instructions to guide his policies and actions and the supervision of the "HID" of this district, he has sufficient scope for personal initiative as the representative of the Service in his area, e. g. he often acts as an adviser on the labour market aspects when enterprises are considering setting up new industries. On the national level this will of course be the task of the Central Service. The Director may delegate executive tasks to subordinate controlling officers. His deputy and chief manpower manager and the administration section report directly to him.

ii) The *vocational guidance section* also is under his direct control, which shows the importance attached to this activity. There is a large number of vocational guidance officers in charge of advising school-leaving pupils as well as adults on career choice or the possibilities of job-changing. The purely scientific examination in this field is supervised and whenever necessary administered by university trained psychologists, exercising their full — or part-time occupation under the responsibility of the Central Service. Work in this field is shared with a number of municipal

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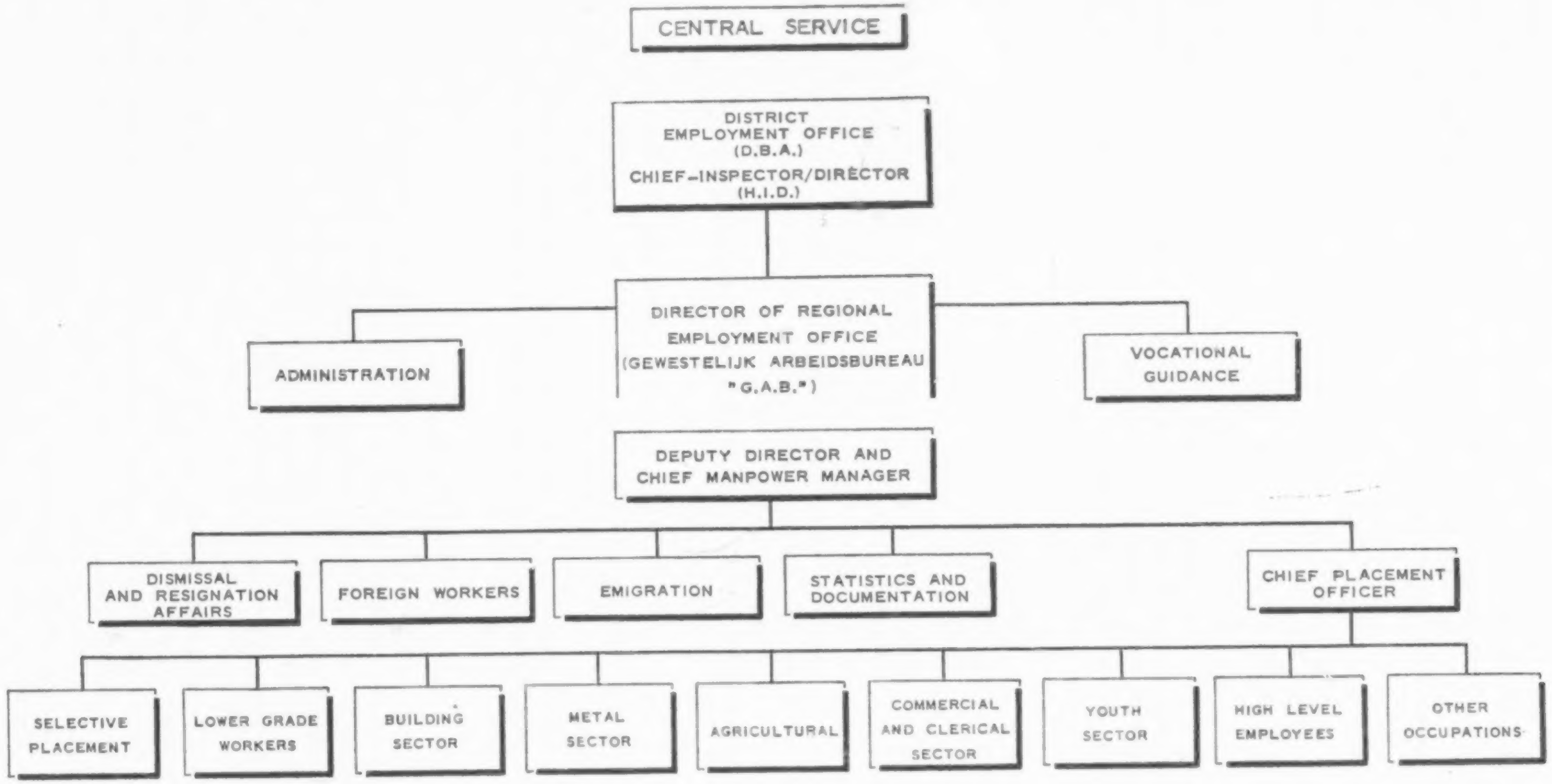
STUCTURE OF A REGIONAL EMPLOYMENT OFFICE (GAB)


CENTRAL SERVICE
DISTRICT EMPLOYMENT OFFICE (D.B.A.) CHIEF-INSPECTOR/DIRECTOR (H.I.D.)
ADMINISTRATION
DIRECTOR OF REGIONAL EMPLOYMENT OFFICE (GEWESTELIJK ARBEIDSBUREAU "G.A.B.")
VOCATIONAL GUIDANCE
DEPUTY DIRECTOR AND CHIEF MANPOWER MANAGER
DISMISSAL AND RESIGNATION AFFAIRS
FOREIGN WORKERS
EMIGRATION
STATISTICS AND DOCUMENTATION
CHIEF PLACEMENT OFFICER
SELECTIVE PLACEMENT
LOWER GRADE WORKERS
BUILDING SECTOR
METAL SECTOR
AGRICULTURAL
COMMERCIAL AND CLERICAL SECTOR
YOUTH SECTOR
HIGH LEVEL EMPLOYEES
OTHER OCCUPATIONS

bureaux and private (government-supported) institutions of a religious or non-denominational kind. Vocational guidance advice for the benefit of registered job seekers is given to the placement officers by specialists of the service. Advice given to applicants at their own request, is charged in accordance with their financial position. Whenever considered necessary, the advice of the medical officer will be obtained. In principle, vocational guidance is based on consideration of the individual's personality and not on labour market needs. These, however, are taken into account insofar as the aim of vocational guidance is to guide the client to the best job available for his type of personality.

iii) *Occupational information* (as distinct from vocational guidance based on tests) is provided collectively as well as individually by youth employment counsellors[1]. It is based on increasing scientific research on job structure, job classification, job analysis, job description etc., the results of which are regularly published. Occupational orientation to young people as well as to their parents and teachers is also provided by means of mobile exhibitions in or outside "GAB" offices, showing in an easily assimilable way the various occupations, the possibilities for training, the basic qualifications required, etc.

iv) *Medical advisers* although operating under direct organisational supervision of the "DBA", nevertheless work on the premises of the "GAB" in special consultation offices. Medical staff are consulted in all cases where placement officers deem such advice necessary, and particularly on questions concerning the employment of handicapped workers, where rehabilitation is given special attention, and concerning candidates for adult training in Government centres.

Apart from the direct placement task of the service, four special sections are shown in the graph.

v) *Dismissal and resignation affairs*

The termination of labour relations in the Netherlands is controlled and the director of the "GAB" plays an important role in this. A section in his office prepares his decisions, which are taken after hearing both parties concerned, and after consultation with the special advisory committee attached to each "GAB".

vi) *Foreign workers*

The primary duty of the section is to deal with the applications of employers to employ foreign workers ; all decisions on this subject were originally taken at the central level, on advice from GAB's. In the course of the liberalisation (the free movement of workers) in Europe, a progressive decentralisation is taking place under which GAB's may handle many decisions directly, such as those for citizens of Common Market countries, officially recruited workers, and prolongation of permits. The continuing tightness of the labour market, and the considerable number of aliens who arrive spontaneously to seek work, have enlarged the scope of duties. While policy on the recruitment and employment of foreign labour is formulated at the central level[2] it has to be executed mostly at the area level.

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[1] See also " The Youth Sector " p. 59.

[2] See also p. 48.

and its consequences are felt there. Nowadays this section also handles demands for recruitment of foreign labour before transmitting them to the Central Service, has contacts with the local police authorities regarding residence permits for aliens seeking employment, with the health authorities to assure medical examination (especially with regard to t. b.), labour disputes, matters of lodging, etc. In some GAB's the section is also primarily entrusted with the placement of aliens (locally or elsewhere in the country through the existing inter-area channels). This is done because officers of this section know which firms are inclined to employ foreign workers through their administration of permit applications, and because they have gained experience in interviewing people speaking foreign languages. Social welfare measures for aliens, questions of proper lodging facilities (which except for government-controlled collective centres, are not the direct responsibility of the "ARBVO"-Service), contacts with other local authorities and private organisations etc. are usually dealt with by the director himself.

vii) *Emigration*[1]

This Section acts as the official public application office for emigration. Its task is to give general and individual information, to prepare future migrants, and to compile and submit migrants' files to the Emigration Service, in the same way as this is done by the private organisations. In accordance with the Government's emigration policy' objective information is given about the opportunities and prospects in the receiving countries. without actively promoting emigration. Emigration Information Officers are attached to the "DBA's" and hold session in "GAB" offices as often as necessary (and possible). They have the opportunity to visit the important receiving countries regularly. When they are absent, the section is manned by personnel who can give initial information, normally as a part-time task.

viii) *Statistics and Documentation*

Practically all basic facts and material for research and statistics in the manpower field are collected by "GAB's" by micro-observation methods, and are transmitted in a prescribed form to the "DBA's", and from there again to the Central Service and the General-Directorate of General Policy Matters[2]. The task of the "GAB's" section includes classified registration of the unemployed, of employed job-seekers, demand from employers, placement effected through the Service, foreign workers, dismissal and resignation procedures, etc. ; it also includes direct enquiries into the level of employment in industry. In the critical building industry the number of workers actually employed is regularly reviewed. The responsible authorities are thus enabled to base the rate of issue of building permits on the availability of manpower. Apart from descriptions of the labour market situation in the area at regular intervals, incidental reports are made at the request of the Central Service or on the initiative of the Director. In border areas, the movement of frontier workers is observed in this way, in others the rate of commuting workers etc. As registration of employment is not compulsory, the "GAB" has no direct means of obtaining statistics of the proportion of total placements in the country made by the Service ; it has been ascertained indirectly that it is about 33 per cent on the average.

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[1] For emigration see also p. 48 and Annex 6.

[2] See p. 45

ix) *The Placement Service*

The organisation graph[1] shows that the actual placement work — the basic duty of an employment office — is performed in specialised sections under the supervision of the Chief Placement Officer. This does not mean that the placement officers for the building or the metal section, for example, must be technical specialists in their field. It is thought that the general training of placement officers performed and sponsored by the Service should enable its graduates to be efficient in all sectors except those for young people and for handicapped workers (selective placement) which will be described separately. The more specialised knowledge needed for each branch of employment can be obtained by consulting job descriptions and other sources available to placement officers, and by regular contacts with personnel managers in the field, which are regarded as essential to all placement work. Naturally, in some very specialised fields such as the placement of sea-going personnel[2], a background as officer in the merchant service and a knowledge of foreign languages is most helpful.

One section in which specialised placement officers are needed is that for artists and musicians. As far as incidental entertainment — often in private performances — is concerned, the employment offices play an important role in this field. The Amsterdam Employment Office is the central agency for the country, but "GAB's" in larger communities have their own sections. The service has not yet succeeded in covering the whole field of serious art and that of the show business ; it is mostly in the hands of licensed agents or — it cannot be denied — of unlicensed and therefore illegally operating entrepreneurs. As the fight against this type of racket is difficult, the service has sponsored and supports a non profit-making foundation which works in the field.

It may be observed that there is no special section for the placement of women. After some initial experiments in selected employment offices it was decided that, as a general policy, the placement service should cater for both male and female job seekers, and could be manned by either male or female officers.

Though the figures for unemployment have been very low during recent years — or perhaps for that reason especially — great care is given to all cases where placement cannot be effected within a short period. If a job-seeker appears on the books of any placement officer for longer than a specified period, the case must be reported to the Chief Placement Officer. The same applies if a client is regularly registered as unemployed more frequently than is normal in his trade. This officer will then collaborate with the placement officer in charge in drawing up a placement plan, which may include transfer to another section, a psychotechnical test, medical advice, training, a refresher course, advice leading to geographical mobility of the worker, referral to a welfare specialist outside the service. Participation in a recent experimental study in this field, sponsored by OECD, has indicated that even better results can be obtained by further development of the methods used. The creation of a new specialised "placement counselling" in the employment offices in under consideration.

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[1] See p. 55.

[2] There is a special branch in the Rotterdam, Amsterdam and Delfzijl employment offices for this specialised field, the Rotterdam section acting also as central agency for the country.

If, in spite of all efforts, the client fails to find employment in the open labour market and training is thought to offer no prospects, he must finally be classified as "unemployable". In that case he or she is proposed for sheltered employment or for care under the public welfare system. This decision can be taken only by the Director, after consultation with his Advisory Board.

The question of whether training or re-training should be offered to a client is not considered only in cases of long-term unemployment or when placement is difficult. In many cases training is offered to persons who could be placed easily, or are still in employment, especially if they are unskilled, or employed in declining industries, or in trades which are becoming obsolete. If such persons are willing to undergo training in a Government Training Centre for Adults, and a psycho-technical test and medical advice indicate that they are capable of it, they are referred to a centre for accelerated training. During the training period they receive indemnities for loss of wages etc., even if they leave employment voluntarily for training reasons.

Training possibilities for skills useful in the building industry have been made specially attractive, in order to provide the additional labour which is so badly needed in that sector. These measures have been successful and are helping to overcome the still serious housing shortage of the country. Training facilities in Government centres as well as within industry with grants from the Government, have also proved useful in reducing pressure in areas where there is structural unemployment of agricultural workers. This is, of course, especially true when linked with regional development programmes.

If suitable workers cannot be offered jobs in the region of any "GAB" within a reasonable period, colleagues in neighbouring regions may be contacted directly ; if this proves to be ineffective the system of country-wide communication within the Service has to be applied. This system may be invoked in individual cases for skilled workers or highly trained personnel, but for unskilled manpower it will only be used when greater numbers are concerned. It is needed most for university graduates and other management level personnel ; for this group there is also a central agency for the whole country. More recently the system has been used for foreign workers who tend to concentrate in some areas which have thus become more or less saturated.

x) *The Youth Sector*

The importance of placement activities for the younger generation is being increasingly recognised. This has resulted not only in the institution of this specialised sector, but also in a specialised training for the officers who, after having passed an examination, can obtain the title of youth counsellor and a rank higher than that of other placement officers. They are trained in appropriate methods of dealing with young people as well as in knowledge of qualifications needed for jobs of all types ; they also have detailed knowledge of the working environment in those enterprises most suitable for their clients.

All applicants for jobs up to the age of 23 years — that is after military service for the male population — are referred to this section if they are entering the labour market for the first time in their life. If they are changing jobs, the same rule is followed if the first choice of career appears to have been unsuccessful ; in other cases the placement officer may refer clients to the youth section if he thinks it useful. The maintenance of close co-operation with the vocational guidance section of the Service is essential.

xi) *Selective Placement*

This section deals with placement of physically and mentally handicapped persons and therefore performs clearly the most direct social duty of the employment service. The first problem facing disabled persons is, of course, a medical one : how to recover as well as possible from disablement. But as soon as it becomes clear that recovery will never be complete, and the persons concerned will be partially or completely handicapped in future life, the problem becomes one of rehabilitation and of finding an occupation or a job which can be performed with the remaining working capacity. Every handicapped person is entitled by law to special expert assistance from the employment service ; this is given by highly trained officers, "counsellors for the placement of the handicapped". There is at least one of these counsellors in every "GAB". Guided in all cases by the advice of a medical officer, by tests where necessary, and by their own extensive knowledge of possibilities, these officers try to find suitable jobs for their clients. Training or re-training at Government expense is possible, of course. Even after placement the counsellor's duty has not ended ; he has to follow the worker's progress and try to solve problems which may arise.

Another possibility is to help handicapped persons to set up on their own (e. g. as shopkeepers), or, if placement in normal business is not immediately possible, in sheltered employment, i. e. on non-competitive terms. The latter is organised by municipalities or private organisations with subsidies from the central Government.

xii) Apart from the handicapped, there are other groups of job-seekers with special difficulties. *The repatriation of* tens of thousands of *former inhabitants of Indonesia,* within a relatively short period caused serious problems. Thanks to the favourable situation on the labour market and the efforts of the employment service in collaboration with other authorities, these problems can be regarded as solved ; the adaptation or re-adaptation of the repatriates has been most satisfactory.

xiii) The *placement of discharged prisoners* is a permanent problem. The almost universal resistance to engaging persons with prison records makes adjustment to work difficult. This is especially the case in higher level occupations ; persons of unskilled and also of skilled level can nearly always be placed in their former occupation. In some cases training at a vocational training centre is possible during detention. At every "GAB" a placement officer is designated to act as contact man with the private organisations aiding discharged prisoners.

xiv) *Older workers* are not regarded as a problem in the same sense as the above groups, although it has been recognised that their registration as unemployed is on the average longer. Employers tend to be reluctant to engage them, for various obvious reasons, but in view of the shortage of labour it has so far nearly always been possible to find jobs for them. An extension course some years ago for a number of placement officers enabled them to give older workers better service by adapted interview methods.

xv) *Advisory bodies*

The description of the organisation of Regional Employment Offices would be incomplete without making mention of the Advisory Boards which collaborate closely with the Directors. Usually the Boards are under the chairmanship of the Alderman for Social Affairs of the Municipal Council of the community ; the members are nominated on the same principles as those of the Central Advisory Board, equal representation of the recognised organisations of employers and of workers, but at local (or district) level ; where necessary they are supplemented by independent experts. The Board can — and usually does — form sub-committees according to the local needs ; a member of the Board acts as chairman.

The Directors are assisted by at least one other advisory committee, the committee for dismissal and resignation affairs. This committee, on which the social partners are also represented, is assisted by an officer of the local Labour Inspection (belonging to the General-Directorate for Labour of the Ministry). Though the Director has the final decision, all dismissal and resignation cases must be referred to the committee.

c) *Vocational Training Centres for Adults*

The 25 Centres are spread over the country according to the needs of the working population ; they are headed by a director and are under direct supervision of the chief-inspector/director of the province where they are located. As they are far fewer than the "GAB's", they may often be far from the trainees' homes. Financial aid may therefore be granted for cost of travel and/or board and lodging in the vicinity. Candidates proposed by the directors of "GAB's" are admitted, after proper testing and medical examination, as soon as there is a place available. This can be any working day, the individual training making it unnecessary to wait for the beginning or the termination of a course. The capacity of the centres varies from 80 to 250 trainees.

Trainees are divided into two groups, those for the building industry and those for metal trades. All begin with a short basic course to become acquainted with the handling of tools, the most efficient working methods and general information. During that time they are closely observed by the instructors to determine for which trade and to which level they can be trained if they wish. The building trades training includes courses for bricklayers, carpenters, plasterers, concrete carpenters, stonecutters, painters ; the metal industry training includes courses for welders, turners, bench workers, iron-construction workers, plumbers, electricians, automobile mechanics, etc. The duration of a course depends on the trade chosen as well as on the progress of trainees, because within certain controlled limits each man is working in accordance with his own abilities. As in industry, bonuses encourage concentration and perseverance. Theoretical training, restricted to the absolute minimum, is given during working hours by special instructors according to the progress made by each man in practice. The duration of courses averages from 4 months for welders to 20 months for toolmakers.

As soon as a trainee has mastered all the tasks in a course he is ready for work in his new profession and, as an employer has usually already been found for him by the "GAB", can start immediately. Although graduates may not get full pay as skilled workers for a primary period of adaptation to practical work in industry, they will normally reach that level within a year. During this time they are encouraged to follow theoretical courses in preparation for the apprenticeship examination appropriate to the trade which, if they pass, will enable them to be recognised officially as skilled workers ; many do so.

The courses given and the methods and tools used are under constant review at the vocational training division, so that they can be adapted quickly to changing needs in industry. Obsolete courses are dropped and new training is instituted when considered useful.

d) *Workers' Lodging Centres*

During the time of heavy unemployment, lodging centres were set up for workers in supplementary employment who lived too far away to return to their homes each day.

In the changed circumstances of today this is no longer necessary, but a number of the centres have been kept intact to be used in emergencies or for special purposes. They came in very useful during the great flood of the year 1953 and also for temporary lodging of manpower for the Delta and other works.

When greater numbers of foreign workers were recruited for industry it soon became difficult for employers to find suitable lodgings for them in private houses, owing to the serious housing shortage in the country, especially in towns where industry is concentrated. By mutual consent, some of the suitably located centres were placed at the disposal of employers for this purpose, to be run by the responsible "ARBVO"-Service against reasonable payment. Some municipalities and big firms in need of more lodging centres elsewhere began to build them (or convert existing buildings) themselves, making use of the experience of the Service and in some cases also entrusting it with the management. A number of centres have been created in this way, and function to the satisfaction of all concerned ; no doubt more will be instituted in the near future.

The Lodging and Social Assistance Division of the Central Service, belonging to the Directorate of Specialised Employment Policy, controls the lodging centres and takes care of the social assistance of their inmates. A number of social officers are entrusted with this task[1] while a special committee gives assistance in directing it. Attention is also given to a sensible use of leisure time. It may be mentioned that the social officers are also concerned with trainees in the government vocational training centres for adults. The division is also the specialised adviser in matters of collective lodging for foreign workers within the "ARBVO"-Service as well as on behalf of municipalities and employers etc.

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[1] In serious cases, or in cases requiring more specialised assistance, clients are referred to appropriate institutions.

Chapter IV

SOCIO-ECONOMIC POLICY

A. GOALS OF SOCIO-ECONOMIC POLICY

This chapter and the following will be devoted to policy goals and instruments, proceeding from the broad socio-economic field to the focus area of this country examination, that of manpower.

Five major goals for the Netherlands socio-economic policy, as formulated by the Social Economic Council, have been generally accepted :

1. stable economic growth,
2. full employment,
3. stable price level,
4. equilibrium of the balance of payments,
5. a just distribution of income.

Stable economic growth constitutes, of course, the basis of prosperity for a fast growing population. *Full employment* is interpreted quite rigorously ; only a very low level of unemployment is permissible. *A stable price level* is not easy to achieve, especially if the country is highly dependent on foreign trade and therefore influenced by the price level in surrounding countries. The importance of international relations for the economy of the Netherlands is also reflected in the goal of *equilibrium of the balance of payments.* The Government's task in pursuing the goal of *a just distribution of income* is a complicated one ; the interpretation of such a goal always varies according to the different social or political groups. Regional industrialisation policy, apart from being a measure of physical planning, of full employment etc., is also an instrument for a better (regional) income distribution.

B. INSTRUMENTS OF SOCIO-ECONOMIC POLICY

Since 1946, Dutch economic policy has been based or evaluated mainly on a "Central Economic Plan", a forecast of economic development for the coming year (and an analysis of the economic situation in the current year) by the Central Planning Bureau.

The Central Planning Bureau, despite its title, is not a planning bureau. It is an economic forecasting unit formally responsible to the Ministry of Economic Affairs, although its activities are of an interministerial nature. Its forecasts have been short-term projections of economic activity and are based on econometric models. They cover a period of one year. In the first instance they are presented in conjunction with the Government's draft budget for the coming year. A final version is published 4 or 5 months later, i.e. in the beginning of the year to which the forecasts refer.

The policy assumptions are discussed particularly with the Ministries of Finance, Economic and Social Affairs and Public Health. The forecasts show the economic impact of the proposed policies, and sometimes of alternative policies also. Manpower has been included in these forecasts only in the estimates of the changes in employment and unemployment.

In view of the increased emphasis now being laid on economic growth, the CPB is responsible for preparing five-year forecasts, broken down into 22 branches of economic activity. Attention will be paid to expected changes in labour conditions and other factors influencing the inputs. The development of medium-term models will, no doubt, lead to increased interest in the manpower implications of the forecasts.

One of the main instruments for promoting the industrialisation of the Netherlands — apart from infra-structural investments which are essential to economic growth — has been *the wage policy*[1].

It has been considered essential to keep consumption within bounds in order to be able to invest a substantial part of the national income. Obviously, the wage policy is also instrumental in keeping down the internal cost and price level, thus maintaining the competitiveness of exports on international markets.

The general purpose of the Government's wage policy is to secure a reasonable development of real wages, in view of all the main economic factors, such as the rate of investments, the price increases, the balance of payments, etc. The methods of pursuing this policy have changed considerably over the years.

The wage policy has been supplemented by *a rent policy*, which was necessary because of a severe shortage of housing. Another important instrument was the Government's *price policy*. The aim of this is to prevent price increases of goods and services attributable to increases in wages and in trader's profit margins. The Government exercises supervision over prices ; there is a compulsory notification of proposed price increases, and gentleman's agreements exist between Government and enterprises. From time to time the Minister of Economic Affairs has used his powers to impose temporary price freezes.

The industrialisation policy is directed to regions of low industrial development, which can be designated as "encouragement areas". Emmen, the place referred to in the first chapter of this report, is a clear example of a region where unemployment used to be high. Nowadays the labour market in Emmen, as in many other encouragement areas, has become a tight one. The original aim of the policy, to establish industry in such areas as a weapon against unemployment, has therefore been replaced by one of even distribution of industrial employment over the whole of the country. Another aim of this policy is to prevent a further increase of the already strong concentration of the population in some parts of the country, especially the western coastal provinces. The instruments used are Government bonuses for new industrial construction, and subsidies which lower the price of land purchases for that purpose in so-called key-municipalities in encouragement areas.

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[1] A full description of the wage policy has been published in OECD reports. See especially the Annual Reviews of the Economic and Development Review Committee ; and " Problem of rising prices ", 1961, Wages and Labour Mobility 1965.

This *"distribution of industry"* policy is supported by the *internal migration policy*. The Government contributes towards the removal costs of personnel of enterprises from the congested parts of the country which transfer in whole or in part to one of the key municipalities in encouragement areas, taking their key personnel and their families with them.

Other instruments, such as *tax policy,* have also been directed towards the achievement of the main socio-economic goals. Investment allowances (credit facilities) and accelerated depreciation on investments have contributed to stimulating industrialisation and have also been used to control the business cycle.

While the instruments of overall economic policy have succeeded in creating continuing full employment, and even over-employment to a certain degree, structural and seasonal unemployment still exists in some regions of the country. Measures of supplementary employment policy, an instrument of the labour market authorities, will be used to alleviate such situations[1].

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[1] For supplementary employment policy see p. 74.

Chapter V

PROBLEMS AND GOALS OF LABOUR MARKET POLICY IN THE NETHERLANDS

A. SUMMARY OF TRENDS AFFECTING THE LABOUR MARKET

1. POPULATION TRENDS

One of the main characteristics of the Netherlands demographic development is a relatively fast growing population. Naturally this causes a continuous increase of the working population, though this increase is slower than that of the total population.

The most important reason for this divergence is a longer compulsory education. The improvement of old-age pension schemes may reduce the labour supply of older workers. The female population shows influence to some degree in both directions : on the one hand a growing number of young girls join the labour force instead of staying at home ; on the other hand the "surplus of women" is decreasing with a resultant decline in the number of unmarried women. In addition, earlier marriages are more common. (It has already been stated that the participation rate of married women in the labour force is relatively low.)

2. CREATION OF JOBS FOR A GROWING WORKING POPULATION

The population trend in post-war years was aggravated by the repatriation of a great number of people from the former colonies, and to some degree by the immigration of refugees from other countries. Job-creation in such circumstances was a major preoccupation of the Netherlands Government, and therefore one of the main features of post-war policy.

Encouragement of industrial development appeared to be the appropriate instrument. The Netherlands is still a young country as far as industrialisation is concerned, its "industrial revolution" having taken place decades after that of neighbouring countries.

The general socio-economic policy was therefore geared to full employment by a determined industrialisation policy. Another important reason for giving high priority to full employment is the unforgotten experience of the mass-unemployment of pre-war depression days. It left deep scars and made public opinion allergic to any degree of unemployment. Potentially, of course, the possibility of large scale unemployment is always present because of the dependence of the country's economy on foreign trade ; fluctuations in foreign trade have been frequent and have caused fluctuations in employment.

A number of policy measures should be seen against this background. The emigration policy is one of them. Another is the protection of workers against market forces by such means as restrictions on dismissals, and a system of licences for extension of working hours — which also has labour protection aspects —, and also for reducing working hours. There is an extensive system of supplementary employment measures to alleviate the effects of unemployment, and to be held in readiness in case mass unemployment should occur again ; this organisation has been compared to that of a fire brigade.

3. THE FULL EMPLOYMENT SITUATION

Looking back at the past decades, one could state that the policies for the creation of jobs and for full employment succeeded very well. Indeed, at the present moment the Netherlands has a considerable shortage of labour.

This, however, has created no serious social problems and therefore no political conflicts. The problem is regarded mainly as an economic one, on the micro-level in the first place to be solved by the employers themselves. On the macro-level it is recognised that the labour shortage has unpleasant negative side-effects : it hampers maximum economic growth, causes a high labour turnover, and is instrumental in causing constant inflationary pressure. The wage level has risen rapidly, threatening to outstrip productivity increases, while contributions to the highly developed social security system add to the relative costs of labour. Employers are therefore forced to use labour more efficiently and to increase capital-deepening investments. In the long run this can be expected to contribute to a more basic solution of the labour shortage problem. The economic process itself and some general measures will presumably have the same influence.

A number of labour market instruments which provide intermediate solutions to the problem will be described in the last part of this chapter.

4. CHANGES ON THE LABOUR MARKET

Another important problem in the Netherlands labour market is that of the effect of changes in technology and in demand on the pattern of employment.

Agricultural employment has steadily declined though agricultural production is rising steadily. Declining employment also exists in the textile industry, in coal mining, and in small trades. Ship-building is another industry that has been on the decline during recent years. These less prosperous industries are often concentrated in certain areas of the country, creating regional problems at the same time. The province of Limburg, with its heavy concentration of coal mining, is a striking example.

But on the other hand, new industries come into being and expand very rapidly. Petro-chemical and other chemical products, synthetics and electronics, steel and machinery, are all goods for which demand is growing. The Netherlands' industrial climate and location seem to be favourable for such industries, which have to be located near heavy population concentrations and near the sea, which provides an easy means of transport, especially in combination with the inland waterways and a system of modern overland transport facilities.

Favourable overall development has been achieved, accompanied by a continuing rise of per capita income, leading to a fast increase of the consumption of goods and services. Moreover, the growing complexity of modern society automatically incurs strong increases in the demand for services, education being one of the most important examples.

All this leads to a change in employment opportunities, regionally as well as in industry ; occupationally as well as in needed skills. New jobs come into being, new specialities develop, mobility has to be considered, the overall quality of labour has to be improved.

B. INSTRUMENTS OF LABOUR MARKET POLICY

In the situation of labour shortage, which prevails (with few exceptions) over the whole country, labour market policy must be directed to :

1. mobilisation of potential labour reserves ;
2. attracting new elements to the labour force ;
3. guiding the working population to the most productive occupations and ways of production ;
4. providing employment for structurally or seasonally unemployed ;
5. providing a sound legal basis for an active manpower policy.

The authority responsible for manpower is directly concerned with such measures in two principal ways : by co-ordinated collaboration with other authorities, and by using the selective instruments at the disposal of the General-Directorate for Manpower.

This part of the chapter is devoted to such instruments. Most of them have already been described either within the framework of the organisation of the Manpower Service, or in the context of instruments of socio-economic policy, but a survey of this field, under the five headings given above, may throw some light on other aspects, among them political implications, which may influence the use of a potential instrument.

1. MOBILISATION OF LABOUR RESERVES

Obviously, in a country where the *participation of (married) women* in the labour force is considerably lower than in comparable industrialised countries, this population group can be regarded as the most important potential source of labour. Employment of married women is one of the main subjects of public attention, discussions and studies having been sponsored and encouraged by the Government. Increased participation of married women seems to be hampered by mental resistance for religious and traditional reasons even more by the male than by the female population. It is generally felt that family life, and especially the education of children, would be endangered by the regular absence of the working housewife.

Another reason is that, with a few notable exceptions, employers have been reluctant to cope with problems of part-time work or other special measures to encourage women with family responsibilities to work, though a number of employment offices in typical shortage areas have taken steps to convince entrepreneurs of the usefulness of such measures.

Under these circumstances — and there are even more problems involved — the Government has been reluctant to take steps to accelerate the slowly rising rate of women's participation, except by allowing a limited tax reduction for employed married women.

The measure clearly belongs to the field of financial policy, but it influences the supply on the labour market. The example is only intended to illustrate how measures outside the (direct) competence of the manpower authorities can have a primary or secondary influence on the situation with which these authorities have to cope. The employment offices, of course, pay particular attention to counselling and placing women applicants.

Workers above the pension age (generally 65 years) can be regarded as another potential reserve. The level of pensions and the social provisions in the Netherlands, combined with progressive taxation, is not designed to encourage older workers to continue working except for more or less informal part-time jobs. The Government has provided no positive incentives for a change of attitude. There is no age limit for counselling and placing of workers in the employment offices. There are some private organisations concerned with older workers, which collaborate with employment offices. One of them is called "Life begins at 40".

A third group is that of *handicapped workers.* Everything possible is done to rehabilitate invalids and to place handicapped workers in suitable employment, though the relevant measures are regarded primarily as social and are certainly motivated not by the needs of the labour market but by those of the people concerned.

There is practically no hidden reserve in the small number of *registered unemployed* (an average of 0.9 per cent of the labour force in 1965) ; all workers who are reasonably capable of working find employment within a short period, except in less developed areas or in cases of seasonal employment.

2. ATTRACTING NEW ELEMENTS TO THE LABOUR FORCE

a) *Workers leaving agriculture and small businesses.*

As in all other industrialised countries, the number of workers in direct agricultural production is continuously decreasing. At present they represent about 9 per cent of the total labour force but it is expected that by 1970 this will fall to about 7.5 per cent. This development is the result of changing methods of production, the evolution of the market and, no doubt, is partly due to psychological factors influencing the rural population. While there is no specific Government policy to accelerate the evolution by direct methods in the interests of the labour market, there are quite a number of measures to facilitate the change-over by alleviating the social and economic consequences to those directly concerned. Other indirect measures are those for regional improvement and for consolidation of agricultural holdings, which are designed to make the best use of labour in agriculture. Similar measures on behalf of owners of small businesses have been instituted and are beginning to take effect.

b) *Increasing the labour force in the building industry*

It has been stated repeatedly in this report that the housing shortage causes continuous concern to the Government and that the factor which prevents a solution is the shortage of manpower. The priority given to the building industry has led — apart from a relatively large wage increase — to higher indemnities for loss of wages for trainees in the government vocational training centres for the relevant trades ; but such measures result rather in a shift from one occupation to another than in an increase in the labour force. One positive result is that formerly unskilled men reach a higher level of productivity. A measure directly contributing to an increase in the labour force is the possibility of exemption from compulsory military service for young men already working in the construction industry as skilled workers, if they agree to stay in the industry for a certain time. Exemptions for this reason totalled 1,971 in 1965.

c) *Foreign workers*

The most effective short-term method of increasing the labour force is the employment of foreign workers. The Netherlands makes considerable use of foreign workers though they represent only 1.4 per cent of total working population, which is still very moderate compared with other countries of Western Europe. The number of valid working permits rose from 24,000 at the end of 1960 to 63,000 at the end of 1965, to which figure must be added about 19,000 Belgian workers — needing no permit to work under the Benelux-Treaty — (1960 about 9,500) and about 15,000 foreign seamen on Dutch ships.

When the need for more foreign manpower was recognised by industry in about 1960, the Government took steps, under the responsibility of the Director-General for Manpower, to conclude agreements on recruitment with emigration countries. The first one was signed with Italy; Spain, Portugal and Turkey followed, while negotiations with Greece have been in progress for a number of years. Permanent recruitment offices of the Employment Service were installed in various countries, a steady flow of workers came to the Netherlands under the most advantageous conditions for them. Very soon other workers started to come on their own initiative. This was made possible partly by Common Market Regulations on the "Free Movement of Workers", partly by the tightness of the Netherlands labour market, which caused authorities to be very liberal in granting permits for residence and work in the country. Nowadays the number of those arriving on their own initiative outnumbers those officially recruited by about 4 : 1, and this has caused grave concern. In some towns the critical situation with regard to housing of aliens led to unfavourable publicity; health problems arose; and the active welfare services (private initiative subsidised by Governments grants) were in some cases unable to give sufficient service to the fast-growing numbers. The Government therefore decided to impose certain restrictions to encourage officially controlled recruitment and — while not forbidding spontaneous immigration — to enforce as far as possible conditions of employment and of social welfare comparable to those for officially recruited labour. The extent of the country's needs for foreign labour, the consequences for the immigrants themselves, and for the emigration countries, are still under discussion.

3. GUIDING THE WORKING POPULATION TO THE MOST PRODUCTIVE OCCUPATIONS AND METHODS OF PRODUCTION

The need to keep the labour force at all levels adapted to changing circumstances is so much in evidence that it has already become commonplace. Nevertheless, responsible authorities are very much concerned with defining policies and developing methods to reach that goal. In a society principally based on freedom of enterprise and freedom to choose an occupation, Government action can only be by indirect means. The closely related instruments of economic and financial policy are discussed elsewhere in this report. The educational policy and practice is, of course, of paramount importance to the labour force of the future.

Most of the instruments of the "ARBVO-Service"[1] are indirect ones, except for the compulsion to accept suitable work when unemployed, and to a certain degree the influence on termination of labour relations. But indirect means can also be very effective in influencing people's decisions.

a) *Guidance*

Even at the very beginning of a career such means must play their role, because the pattern of occupations in modern society has become so complicated that it is no longer possible for an individual to make a responsible choice for himself or for his children without specialised counselling. The Service has, therefore, developed its occupational information services in general and its occupational guidance to individuals, especially the young. Counselling is based on continuing occupational research, analysis of new occupations, keeping abreast of changing employment situations, on knowledge of the many aspects of the labour market, and on forecasts. Problems of mechanisation and automation as well as those of industrialisation in development areas and of declining industrialisation must all be taken into consideration.

b) *Training*

Guidance to productive occupations is not regarded as accomplished once counselling has been given. Whenever necessary and possible the "ARBVO-Service" assists applicants for jobs to train for suitable occupations of their choice, or to be retrained ; this can be done either in Government Training Centres (for accelerated training) for Adults, or with Government grants within industry. Where industries become obsolete — the coalmining industry is an outstanding example — additional training facilities are provided to enable workers who have lost their jobs to be re-adapted. To be eligible for training, applicants need not necessarily be unemployed ; if they are unskilled or have professions without prospects, they may leave employment for training purposes, and are then entitled to indemnities for loss of wages, etc. People still in employment can also participate if their employer continues to pay their wages during the training period.

c) *Mobility*

Geographical mobility of unemployed workers, generally regarded as a major instrument of employment services, and a means of guiding people to the most productive employment is no longer very important in the Netherlands. Creating employment opportunities in less developed areas has taken its place, and movement of workers to the industrialised but already overpopulated parts of the country is not encouraged. On the contrary, movement of employed skilled workers and key personnel, especially from the western provinces, to development nuclei where they are needed to help in the establishment of new plants, is considered preferable and is therefore subsidised under certain conditions.

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[1] The Directorate-General for Manpower.

d) *Placement*

The placement of job applicants is, of course, the most effective instrument of any employment service. But the old technique of writing a slip with the address of a firm which has registered a vacancy, is regarded as outdated in many cases. To find the most productive employment, the placement officer nowadays has to understand the applicant as well as the needs of prospective employers, and he must also be able to estimate the working climate in which the work has to be performed. He must be well informed about the possibilities of the labour market in his area, in the province, in the country ; he must be aware of all the facilities the Service can offer. Above all, he must be able to gain the confidence of both parties concerned. His task includes social as well as economic aspects : his contribution to the overall objective of full employment and optimum growth is to place "the right man in the right place". In this way he not only tries to secure employment for his client, but to prevent feelings of frustration or failure in that employment. This is the aim of the "ARBVO-Service". The rehabilitation of the physically or mentally handicapped, and help for other groups and persons with special difficulties, leading where possible to their gainful employment, are social goals of the service. The placement of the young is undertaken with great care, since an adequate start in working life is of paramount importance for the future of any individual.

e) *Office buildings*

To enhance their prestige in the community, employment services should be housed in buildings which give the impression of an efficient organisation, suited to the modern tasks of the Service. Therefore, an extensive building programme is under way. In spite of the restrictions on all building activities — which also apply to government building — twenty-seven new buildings have been completed since 1960 in large and in small municipalities, twenty-three more modern office buildings are under construction or are included in an agreed building programme of the Service.

f) *Co-ordination and collaboration*

This report has given many examples of the way in which institutionalised and informal co-ordination and collaboration with government and private organisations are used to attain the goals of manpower policy, in accordance with the ingrained system of consultation and combined action which exists in the Netherlands. The continuous dialogue with all parties concerned with labour market policy at all levels, not only helps in the formulation of policies, but is a major instrument in their execution. Much better results can be expected from measures when they have been discussed with the social partners before they are put into effect.

In some cases, collaboration between the Service and parties directly concerned has resulted in interesting developments, as in the two following examples.

The organisation of the labour market in harbour towns tends to be difficult, as the shipping trade is more affected than others by fluctuations in activity. It is subject to seasonal, cyclical and structural influences, but also to weather conditions and many incidental factors. In harbours, therefore, the normal situation used to be the availability of a great number of casual workers who could be engaged when necessary and would be out of a job at other times. The development in the Netherlands led first to the creation of "labour reserve offices" in harbours, where offer and demand were centralised, and finally to the present organisation of "pools". Employers interested in manpower for the docks collectively engage the labour force they need on a permanent basis. Men who are temporarily "in reserve" receive the normal basic wages according to existing collective agreements. Part of the unproductive wage costs are paid by the Ministry of Social Affairs and a greater part by the employers of the "pool". This type of collaboration has been most advantageous to all parties concerned. Another example, still in an experimental stage, is in the agricultural sector where seasonal unemployment exists, while shortage of properly skilled labour and, during the busy season of manpower in general, hampers productivity[1].

D. SUPPLEMENTARY EMPLOYMENT

Even when there has been a tight labour market for a number of years, as has been the case in the Netherlands, pockets of unemployment remain, quite apart from frictional and short-term seasonal unemployment. Some of the agricultural areas of the country have not yet reached a level of industrialisation which can absorb all structural unemployment, and the seasonal unemployment rate there can be relatively high. Geographical mobility to the already too densely populated areas is not regarded as a suitable solution to this problem, while regional development takes time.

Supplementary employment policy is, therefore, used to counteract the undesirable consequences of this type of unemployment. Civil engineering projects are sponsored and subsidised by the Government under certain conditions, to provide jobs for registered unemployed, who can thus be offered work at normal wage rates[2].

E. A LEGAL BASIS FOR AN ACTIVE MANPOWER POLICY

The Placement of Labour Act of 1930 and the Manpower Organisation Order of 1954 provide the principal basis for the "ARBVO-Service". But most of the modern ideas of labour market policy have been developed since they came into force. It is therefore considered necessary to formulate a new legal framework into which all present activities and those thought useful for the future should be integrated, while consolidating the organisation of the Service and giving it sufficient authority to reach the goals of an active manpower policy. The background and objectives of such a new Manpower Act have already been formulated and advanced preparations to put it into effect, are under way[1].

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[1] For a short review of the " Hoekse Waard experiment " see Annex 13.

[2] For supplementary employment see also p. 49 and Annex 10.

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[1] For translation of the document " Background and Objectives of the Manpower Act ", see Annex 14.

ANNEXES

76/77

Annex 1

STATISTICS ON POPULATION AND WORKING POPULATION IN THE NETHERLANDS

1. POPULATION

In thousands.

31 DEC.	MEN	WOMEN	TOTAL	ANNUAL GROWTH
1920	3,410	3,455	6,865	1.45 %
1930	3,943	3,993	7,936	1.46 %
1940	4,454	4,479	8,923	1.18 %
1950	5,084	5,117	10,200	1.35 %
1960	5,754	5,802	11,556	1.26 %
1961	5,838	5,883	11,721	1.43 %
1962	5,924	5,966	11,890	1.44 %
1963	6,001	6,041	12,042	1.28 %
CENTRAL BUREAU OF STATISTICS FORECAST				
1964	6,085	6,120	12,205	1.35 %
1969	6,505	6,120	13,067	1.37 %
1974	7,013	7,092	14,104	1.54 %
1979	7,580	7,678	15,258	1.59 %

The annual growth rate of the population displayed a low with 0.67 per cent around 1850. From then on there was a constant rise until a peak was reached in the 1920s. In the depression of the 1930s the growth rate again dropped considerably. Immediately after 1945 a peak in births was reached, so that the annual growth increased considerably. The following peak in 1961 and 1962 was caused by high immigration (from Indonesia and New Guinea, among other places) and a decline in emigration. In the forecast the migration balance was assumed to be in equilibrium. After 1970 the repercussions of the postwar birth explosion will appear in the form of a relatively high birth rate.

2. WORKING POPULATION

The growth in the working population is somewhat less than the growth in the total population, which is reflected in the falling percentage. This percentage is in any case not large because the groups of the population aged less than 15 (fairly high birth rate) and above 64 (low death rate) are relatively large : together they constitute 38 per cent of the total population. Of the remaining 62 per cent, 20 per cent consists of married women, who participate only very slightly in employment.

In thousands.

	MEN	WOMEN	TOTAL	AS % OF TOTAL POP.
1947 31 May	2,923	944	3,866	40
1960 » »	3,241	928	4,169	36
1960 annual aver.	3,257	947	4,204	37
1961 » »	3,293	963	4,256	37
1962 » »	3,342	983	4,325	37
1963 » »	3,393	1,011	4,404	37
1964 » »	3,447	1,035	4,482	37
CENTRAL BUREAU OF STATISTICS FORECAST				
1964 31 Dec.	3,464	1,053	4,517	37
1969 » »	3,670	1,116	4,786	37
1974 » »	3,854	1,146	5,000	35
1979 » »	4,052	1,203	5,255	34

The drop in the percentage of working population between 1947 and 1960 (from 40 to 36) is mainly due to the market decline in the number of married women assisting their husbands on the family farm and in small business, and also to the growing interest in post-primary education. About 1960 both factors lost much of their importance. The renewed drop in the percentage expected after 1970 is a consequence of the expected rise in the birth rate, as a result of which the non-productive age groups increase relatively in size.

A breakdown of the working population into self-employed and employed persons can only be made after a national census. From 1947 to 1960 the number of self-employed persons, including family members working in business (not in paid employment), has dropped from 1,123,000 to 842,000. In relation to the total working population there was a drop from 29 per cent to 20 per cent. Divided into men and women, these percentages were 28-22 and 32-16 respectively, i.e. the relative number of female self-employed persons was halved. The pronounced decline in the number of wives and children working in the family business is the principal cause of this. In addition a clear trend towards concentration is observed in the business sector, which leads to a constant decrease in the number of small businesses. This trend is strongest in agriculture, the food, drink and tobacco industry, and the retail trade.

Annex 2

RESULTS OF INDUSTRIALISATION, 1948-1962

The influence of industrialisation on employment in the years 1948-1962 is illustrated by the following figures :

	Man years in thousands
Growth of the civil working population	805
Decrease in the registered labour reserve	10
Outturn of labour from agriculture	123
Total	938
absorbed by industry	437
absorbed by service sector	415
absorbed by the Government	86
Total	938

In this period gross investments in industry averaged 6.8 per cent of the gross national product (at market prices) ; the top year in this respect was 1956, with 8.2 per cent.

Annex 3

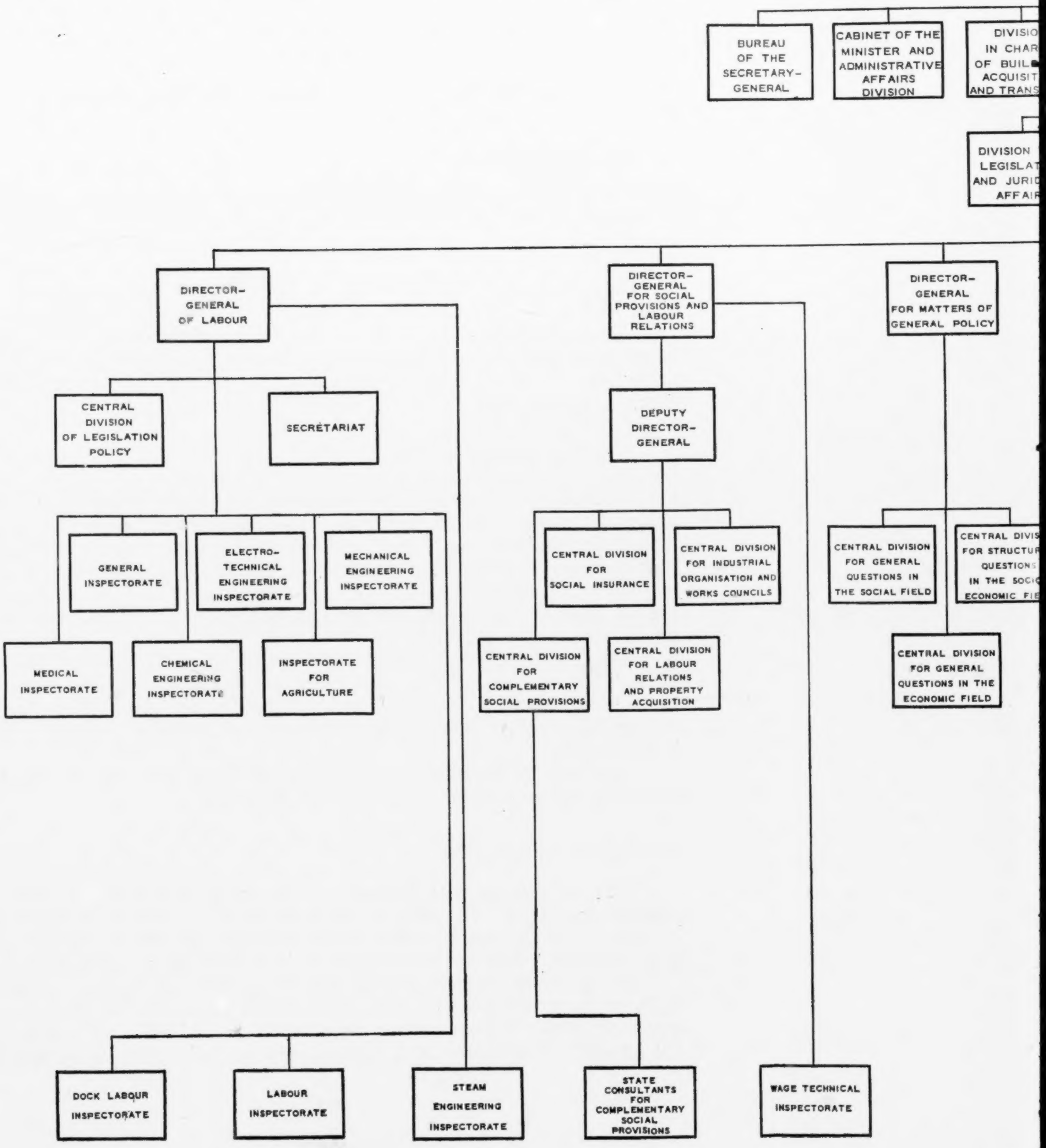
LIST OF GOVERNMENT DEPARTMENTS

Government Departments are instituted or modified by Royal Decree. At present there are 14 :

1. Ministry of General Affairs.
   This is the Prime Minister's Department. It comprises the secretariat of the Council of Ministers and the Government Information Service.
2. The Cabinet of the Vice-Premier.
   It deals with affairs of Surinam and the Netherlands Antilles involving the Netherlands, under the Statute of the Kingdom.
3. The Ministry of Foreign Affairs.
4. The Ministry of Justice.
   This Ministry also deals with the admission of aliens.
5. The Ministry of Home Affairs.
6. The Ministry of Education and Sciences.
7. The Ministry of Finance.
8. The Ministry of Defence.
9. The Ministry of Housing and Physical Planning.
10. The Ministry of Transport and Public Works.
    The Postal, Telephone and Telegraph Services, a State enterprise, also come under this Ministry.
11. The Ministry of Economic Affairs.
    This Ministry handles a number of economic affairs of a general nature, such as foreign economic affairs, price policy and economic information, and further matters of industry (incl. industrialisation), trade and energy (incl. the State Mines).
12. The Ministry of Agriculture and Fisheries.
13. The Ministry of Social Affairs and Public Health.
14. The Ministry of Culture, Recreation and Social Welfare.
    This Ministry deals with the arts, adult education, radio and TV policy, and its tasks also include the welfare of foreign workers.

Annex 4

STRUCTURE OF THE MINISTRY OF SOCIAL AFFAIRS AND PUBLIC HEALTH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MECHANICAL ENGINEERING INSPECTORATE
MEDICAL INSPECTORATE
CHEMICAL ENGINEERING INSPECTORATE
INSPECTORATE FOR AGRICULTURE
CENTRAL DIVISION FOR SOCIAL INSURANCE
CENTRAL DIVISION FOR INDUSTRIAL ORGANISATION AND WORKS COUNCILS
CENTRAL DIVISION FOR COMPLEMENTARY SOCIAL PROVISIONS
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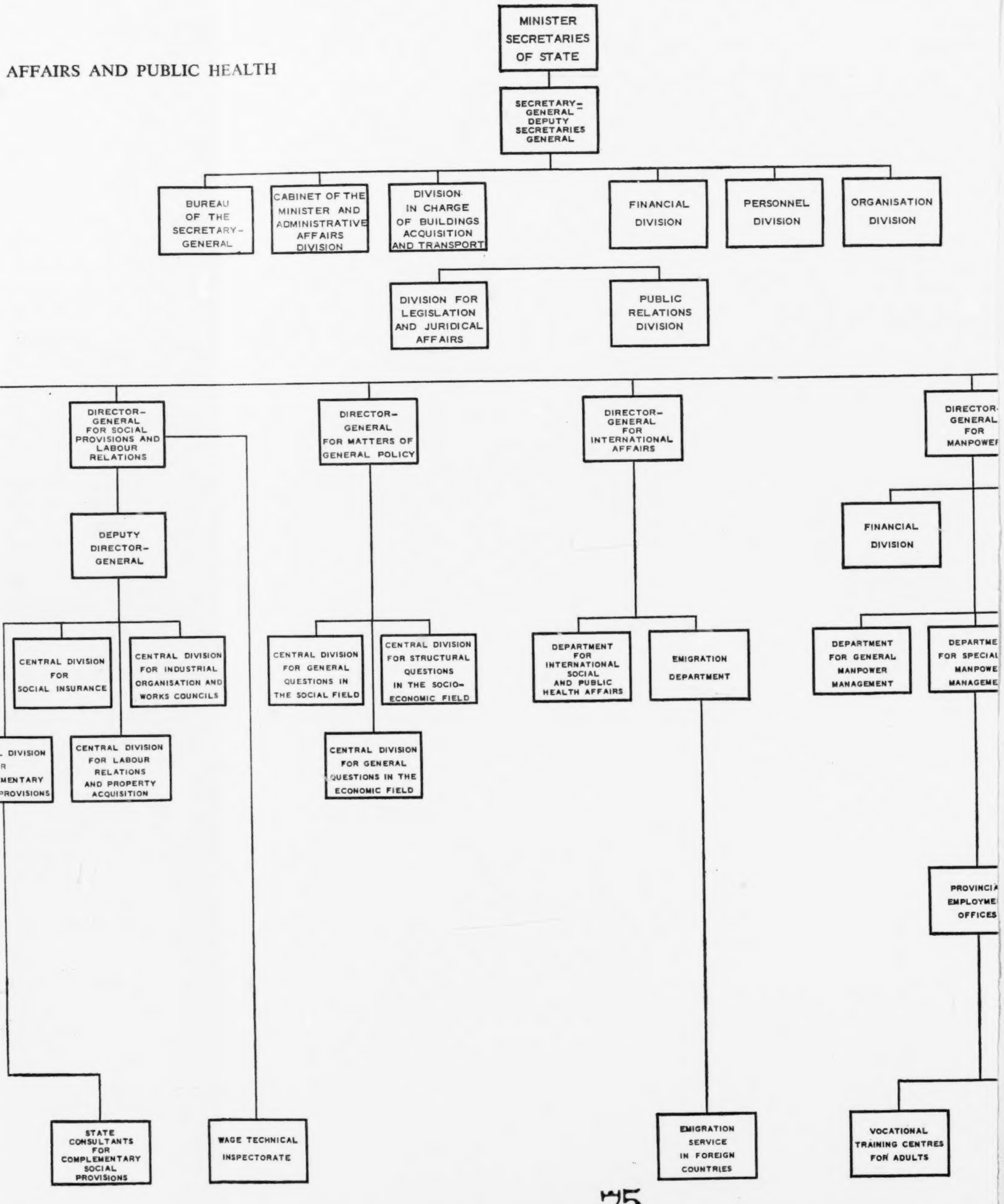
WAGE TECHNICAL INSPECTORATE

AFFAIRS AND PUBLIC HEALTH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ORGANISATION DIVISION
DIVISION FOR LEGISLATION AND JURIDICAL AFFAIRS
PUBLIC RELATIONS DIVISION
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DIRECTOR-GENERAL FOR INTERNATIONAL AFFAIRS
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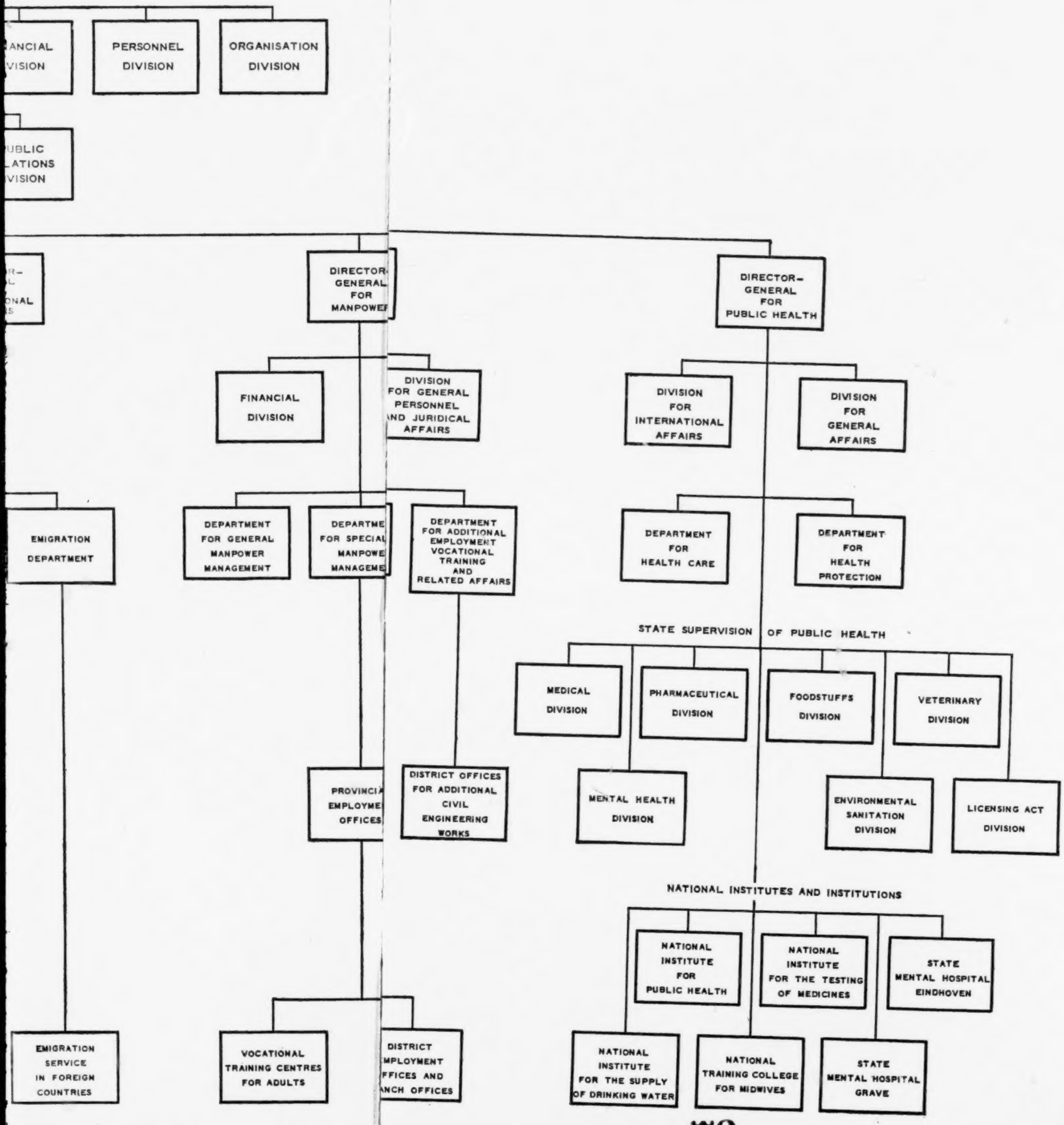
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FOR SPECIAL
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MANAGEME
DEPARTMENT FOR ADDITIONAL EMPLOYMENT VOCATIONAL TRAINING AND RELATED AFFAIRS
DEPARTMENT FOR HEALTH CARE
DEPARTMENT FOR HEALTH PROTECTION
STATE SUPERVISION OF PUBLIC HEALTH
MEDICAL DIVISION
PHARMACEUTICAL DIVISION
FOODSTUFFS DIVISION
VETERINARY DIVISION
MENTAL HEALTH DIVISION
ENVIRONMENTAL SANITATION DIVISION
LICENSING ACT DIVISION
PROVINCIA
EMPLOYME
OFFICES
DISTRICT OFFICES FOR ADDITIONAL CIVIL ENGINEERING WORKS
NATIONAL INSTITUTES AND INSTITUTIONS
NATIONAL INSTITUTE FOR PUBLIC HEALTH
NATIONAL INSTITUTE FOR THE TESTING OF MEDICINES
STATE MENTAL HOSPITAL EINDHOVEN
EMIGRATION SERVICE IN FOREIGN COUNTRIES
VOCATIONAL TRAINING CENTRES FOR ADULTS
DISTRICT
MPLOYMENT
FFICES AND
NCH OFFICES
NATIONAL INSTITUTE FOR THE SUPPLY OF DRINKING WATER
NATIONAL TRAINING COLLEGE FOR MIDWIVES
STATE MENTAL HOSPITAL GRAVE

Annex 5

ECONOMIC AND SOCIAL PROTECTION

1. UNEMPLOYMENT ACT

Insured are wage-earners and persons in a similar position (musicians, commercial travellers etc.). Not eligible for insurance are domestic servants, civil servants, for whom an equally favourable arrangement has been made, and persons of 65 years and over. There is no wage limit.

Unemployment benefit is 80 per cent of the daily wages up to a maximum of fls. 36 and can be given for a maximum of 156 days a year.

The contribution amounts to about 1.4 per cent of the wages up to a maximum of fls. 36 per day. About 0.5 per cent is paid by the employee, about 0.5 per cent by the employer and 0.4 per cent by the State.

2. SICKNESS INSURANCE ACT

Insured are workers in the employment of an undertaking and some other groups, e.g. domestic servants, who generally work more than 2 days a week for the same employer. Sailors, sea-fishermen, civil servants, railway workers in permanent service — special regulations are in force in their case — and persons earning more than fls. 11,500 per annum are not insured. The sickness payment is 80 per cent of the daily wages up to a maximum of fls. 36.

Sickness payment is made from the third day following the start of inability to work. There are often more favourable provisions, for instance payment up to 90 per cent of the daily wages and one or two waiting-days. The maximum period over which sickness payment is made is 52 weeks.

The average contribution amounts to about 6 per cent of wages, of which about one quarter is paid by the employee.

3. SICKNESS FUND ACT

This act distinguishes between a compulsory, a voluntary and an old peoples' insurance. In addition to these types of insurance there is a supplementary insurance, under which members can obtain various additional benefits. The last three types of insurance are not dealt with here.

Compulsorily insured persons are those who are insured under the Sickness Insurance Act and some other groups of people, for instance railway personnel. Those earning more than fls. 11,500 per annum are not insured. The family of a compulsorily insured person is insured free of charge (children up to the age of 16, students and invalid children up to the age of 27).

The sickness funds do not as a rule make cash payments. Insured persons are entitled to medical attention from a doctor and a specialist, medicines, dental attention under certain conditions, obstetric attention from a midwife and, if it should be necessary, from a doctor, hospital treatment for a maximum of one year in each instance, an allowance towards the expenses of treatment in a sanatorium, etc.

The contribution for the compulsory insurance amounts to 5.8 per cent of which one half is paid by the employee and one half by the employer.

4. DISABILITY ACT

Under this act are granted : an old age pension when the insured person attains the age of 65 ; a disability pension in the event of permanent or temporary disability. For the first 52 weeks after the disability sets in, the insured person is not entitled to a pension under this act, if he is entitled to sick pay under the Sickness Insurance Act.

The amount of the pensions mentioned above depends on the number of contributions paid and on the number of weeks during which the person concerned has been insured.

Since 1st January 1965 contributions are no longer paid.

5. INTERIM ACT DISABILITY PENSIONERS

The purpose of this act is to supplement in certain instances disability pensions received under the Disability Act. In general, disability pensions are increased to fls. 5,628 a year if the persons concerned are 80 to 100 per cent disabled, to fls. 4,578 a year if the extent of disablement is 66 2/3 per cent to 80 per cent, and to fls. 3,522 a year if the extent of disablement is 55 per cent to 66 2/3 per cent. These pensions are tied to the wage-index.

This insurance is financed by contributions from the employers — 2.4 per cent of the wage paid to the employee up to a maximum of fls. 36 per day — and by a contribution of the State.

6. ACCIDENTS INSURANCE ACTS (Industrial Accidents Insurance Act, Agricultural and Horticultural Accidents Insurance Act and Seamens' Accidents Insurance Act).

These acts protect workers in undertakings and some other groups against financial consequences of accidents which they incur in the course of their duties. Occupational diseases are treated in the same way as accidents. No wage limit has been fixed under these acts.

An insured person affected by an accident receives medical and surgical treatment or compensation for this, and, if he is unable to work on the third day after the accident, an allowance of 70 to 80 per cent of his daily wage up to a maximum of fls. 36. In the event of the death of the insured person, benefits are paid to the dependants and compensation is given for funeral expenses.

The amount of the contribution for the first two insurances depends on the degree of accident risk. The contribution is paid by the employer. The benefits of the Seamens' Accidents Insurance Act are regarded as part of the wages. The shipowner is, therefore, fully liable for any costs caused through accidents. However, the State pays 50 to 75 per cent of the costs for smaller ships.

7. GENERAL OLD AGE ACT

In general, all residents of the Netherlands who are between the ages of 15 and 65 are insured under the terms of this act.

The contribution for this insurance, which is to be paid by the insured, amounts to 8.7 per cent of either income or wages up to a maximum of fls. 12,750 per year. Wages or income above this figure are not taken into account. A contribution is also paid by the State. The contributions to be paid by the insured are levied by the Government Taxation Department.

The pension for married persons amounts to fls. 4,110 per annum and for unmarried persons to fls. 2,892 per annum. These pensions are tied to the wage-index.

8. GENERAL WIDOWS' AND ORPHANS' ACT

In general all residents of the Netherlands who have reached the age of 15 are insured. The act provides for widows' pensions, temporary widows' benefits and orphans' pensions.

A widow of an insured person is entitled to a widow's pension if, at the time of her husband's decease, she has an unmarried child of her own, is pregnant, is at least 50 per cent disabled or is 40 years of age or more. If a widow does not fulfil these conditions she may claim a temporary widow's benefit.

In general only full orphans are entitled to an orphan's pension, which they receive up to the age of 16, or, if they are studying or receiving vocational training or are disabled, up to age of 27.

The widow's pension amounts to fls. 4,110 per annum, the temporary widow's benefit to fls. 2,892 per annum and the orphans' pensions to fls. 906 per annum up to the age of 10, fls. 1,362 per annum for orphans aged 10 to 15 years inclusive and fls. 1,764 per annum for orphans aged 16 to 26 inclusive. These pensions are tied to the wage-index.

The contribution, which amounts to 1.5 per cent of either income or wages up to a maximum of fls. 12,750 per year and is to be paid by the insured, is levied by the Government Taxation Department. Persons who have reached the age of 65 are no longer required to pay contributions.

9. CHILDRENS' ALLOWANCES ACTS

a) *General Childrens' Allowances Act.* In general, all residents who have reached the age of 15 are insured. The insured is entitled to childrens' allowance, starting from the third child, for children under the age of 16 and, if the children are studying, are receiving vocational training or are chronically ill or handicapped, also for children of 16 to 27 years.

The childrens' allowance amounts to fls. 103.74 per quarter for the third child, fls. 138.84 per quarter for the fourth and fifth child respectively, fls. 155.22 per quarter for the sixth and seventh child respectively and fls. 171.60 for the eighth child and subsequent children.

The contribution, which amounts to 2.1 per cent of either income or wages to a maximum of fls. 12,750 per year is levied by the Government Taxation Department. For employees the contribution is paid by the employer. Persons who have reached the age of 65, and unmarried women over 45, are exempt from payment of contributions.

b) *Wage-earners Childrens' Allowances Act*. Insured are wage-earners with the exception of domestic staff and government employees. A separate regulation is applicable for the latter category. In addition the act grants a right to childrens' allowances for persons receiving benefits under some social security act.

The insured person is entitled to childrens' allowances for his two eldest children under the conditions mentioned above for the General Childrens' Allowances Act.

The childrens' allowance amounts to fls. 90.48 per quarter for the first child and to fls. 103.74 per quarter for the second child.

The contribution, which amounts to 3 per cent of the wages up to a maximum of fls. 12,750 per year, is levied by the Government Taxation Department and is paid by the employer. No contribution is levied on the wages of persons of 65 years and over.

c) *Self-employed Persons Childrens' Allowances Act*. Under the terms of this act, self-employed persons and some domestic staff whose income does not exceed fls. 4,900 per year, are entitled to childrens' allowances for the first and second child. The regulations governing the allowances and the amounts to be paid are the same as those laid down in the Wage-earners Childrens' Allowances Act.

The costs of the payments and of the administration of this act are borne by the State.

Annex 6

EMIGRATION

The Emigration Institutions Act of 1952 holds the Minister of Social Affairs and Public Health responsible for emigration-affairs. The *Emigration Council* — shortly to be incorporated into the Social Economic Council — acts as an advisory body to the Minister.

The *Director of Emigration* is responsible for the official direction of the government part of the emigration work, co-operation of the State with the private organisations working in this field, and external emigration relations.

It is his task to supervise the execution of the state tasks and to direct the work of the emigration officials who are attached to the Netherlands Embassies in the receiving countries. He also represents the government in the meetings of the Intergovernmental Committee for European Migration.

The *Netherlands Emigration Service* is a semi-governmental organisation which carries out the tasks assigned to it by the Government and by the Emigration Board. It is entrusted with the management of emigration including : information and preparation of materials for distribution to the application offices, final processing of the files of prospective migrants, forwarding the files to the representatives of the receiving countries for selection and arrangement of financial assistance and transport in each individual case.

The *Emigration Board* consists of four representatives of the ministries most closely concerned with emigration, who are appointed by the Government, and five members who are designated by social organisations. The main task of this Board can be described as the co-ordination of the work done by the Government and by private organisations in the field of emigration. Finally, to help prospective migrants, the Emigration Institutions Act mentions the *application organisations,* which include public and private offices. The Minister has designated the National Employment Service belonging to the Directorate-General for Manpower, as a public application organisation ; the regional employment offices also take action as application offices for emigration where civil servants act as information officers. They are supervised by the Directorate-General's division "International Labour Market Affairs and Emigration" which has been mentioned before. It has already been stated that public and social life in the Netherlands is, to a large extent, organised in accordance with the religious conviction or philosophy of its citizens. This applies to the emigration institutions as well. The Roman-Catholics, the Protestants and the Non-Conformists have each founded one or more organisations in this field. The Minister has authorised five organisations. All the tasks connected with general and individual information and guidance, the preparation of migrants and the organisation of language courses, and also the compilation and submission of the migrant's files, are carried out by these application offices. The private application offices receive an annual allowance for this work. The Government adheres to the principle of freedom to emigrate and, therefore, every Dutch national who is in possession of a valid passport is at liberty to leave the country for the purpose of settling in some other part of the world.

Not until after the second world war did the government play an active and organising role in emigration, making use of the existing social institutions on the one hand, and of special ad hoc bodies on the other. The present positive attitude of the Government towards emigration must be viewed against the background of the demographic situation in the Netherlands. It is a densely populated country with the highest birth-rate of Western Europe. As mentioned before, it is estimated that with an annual increase of 1.4 per cent the country will have to accommodate and provide work for a population of 20 million (the present figure is 12.4 million) before the end of this century.

EMIGRATION

AVERAGE :	OFFICIALLY SPONSORED	AUSTRALIA	NEW ZEALAND	CANADA	USA	SOUTH AFRICA	BRAZIL	OTHER COUNTRIES
1946/1949 ...	8,780	651	51	4,031	2,253	1,360	180	254
1950	21,330	9,268	503	7,033	2,883	1,153	281	209
1951	37,605	10,494	3,187	18,604	2,262	2,588	206	264
1952	48,690	15,828	4,575	20,653	2,634	4,177	281	542
1953	38,049	7,813	2,575	20,095	2,843	3,432	615	676
1954	34,676	10,906	768	15,859	2,708	3,275	578	582
1955	29,631	13,731	1,266	6,654	4,012	2,839	447	682
1956	31,788	10,959	1,335	7,651	9,220	1,819	288	516
1957	30,421	6,731	1,065	11,724	9,074	1,224	200	403
1958	23,117	7,458	1,733	7,284	3,745	1,956	234	707
1959	22,489	8,319	1,338	5,323	5,332	1,689	230	258
1960	24,335	8,060	1,158	5,457	8,700	482	249	229
1961	14,155	4,210	1,375	1,799	6,045	344	239	143
1962	11,546	2,027	944	1,553	6,176	490	143	213
1963	6,786	1,930	594	1,701	1,572	631	186	172
1964	8,152	2,493	666	1,911	1,825	903	151	203
1965	8,757	2,466	659	2,514	1,717	1,140	—	261
Total ...	426,647	125,297	23,945	151,939	79,760	33,582	5,048	7,076

Obviously the departure of some hundreds of thousands of citizens to other countries cannot solve all the problems resulting from the increasing pressure of population, but it may contribute to their solution. That is why the Government facilitates the emigration of those who prefer to settle elsewhere. In the present situation, however, with the numerous vacancies on the home labour market it would not be feasible to promote emigration actively. The Government's policy is to keep intact an adequate organisation to continue giving objective information to applicants about the opportunities and prospects in the receiving countries, and to assist the migrants in an appropriate way to realise their plans.

Since 1945 a total of 430,000 people emigrated with Government assistance. In comparison with the top-year 1952 with more than 48,000 migrants, the actual figures (8,600 in 1965) are modest, though recent statistics again show a slightly rising trend. The main receiving countries were Canada (153,000), Australia (126,000), the United States (80,000), South Africa (34,000), New Zealand (24,000) and to a lesser extent Brazil (5,000).

Annex 7

STATISTICS AND RESEARCH

1. STATISTICS

A. COLLECTION OF LABOUR MARKET DATA

1. *Introduction*

In principle, the Central Bureau of Statistics is responsible for all government statistics, including manpower statistics, collected in the public interest, in the Netherlands. The supply of the information required by the CBS may be made compulsory by ministerial decree. The legislation guarantees that the information given is regarded as confidential ; furthermore, before certain types of data can be collected, the Central Committee on Statistics (composed of representatives of the Ministries and of the Social Partners) must give its approval.

Although the CBS is responsible for all government statistics, in the public interest, the Ministry of Social Affairs provides the CBS with data collected by the local employment offices. These offices : a) *collect statistics* on unemployment, job vacancies, placement of registered applicants, employment of aliens, vocational training of adults in the training centres, and on dismissal and resignation ; b) *prepare estimates* of labour shortages, of the total working population, of commuting, and of employment by industry ; and c) *conduct censuses* of the building trades.

These are compiled by the local office into : a) *monthly reports* on the labour market which show total unemployment and job vacancies in terms of sex, profession, occupation and age groups ; and b) *annual reports* which show employment, unemployment and labour force. The development compared to the previous year and the prospects for the coming year are commented upon, especially for the most important branches of industry.

The local offices transmit information on important developments, such as anticipated expansions or contractions of employment.

The reports of the local employment offices are collected by the General-Directorate for General Policy Matters. The subsequent analysis is also made by that Directorate.

2. *Employment statistics*

Employment data in the Netherlands are obtained from the following sources :

a) *Decennial Population Census*
The most recent population censuses were conducted in 1947 and 1960. This is the basic source of employment data by : industry, area, age, occupation, occupational attainment, employ-

ment status (self-employed etc.) marital status, and sex. These analyses are not all run off as a matter of course, but are obtainable. The cross-analysis of employment by industry and occupation is available only from the 1960 census. (The housing census of 1956 contained a few questions concerning working population and thus, for certain questions, supplementary information is available.)

b) *Industrial Census*

Every quarter, a census of employees in manufacturing and mining is conducted by the CBS. It covers all establishments employing 10 or more persons at the end of March, when a new register of establishments is made for the year. Approximately 90 per cent of all employees in manufacturing and mining work in these establishments. The following data are obtainable : employment by industry, employment by province (annually), manual workers and other employees and employment by sex.

c) *Building Census*

Every quarter, a census of workers on dwellings and other buildings of fls. 10,000 and over is conducted by the local employment offices. The data are detailed by area, type of building and occupation.

In addition the CBS collects data of the number of workers engaged in the construction of new roads, dykes, etc.

d) *Agricultural Census*

Every three years there is a census in agriculture. This provides employment data by industry, area, age, employment status, and sex. Annual and monthly data on employment in agriculture are also available.

e) *Social Insurance Statistics*

Under the social insurance legislation, enterprises provide data to the Social Insurance Bank. These data are collected in terms of man-days worked in each enterprise. Although the unit of measure is the enterprise rather than establishment, data are available on employment by industry.

Employment figures by age and by sex are also available, but are not reproduced.

f) *Government Employment*

Data are available from government sources on all civil service employment — by branch of government, by area, by age, and by sex. Some occupational information is available as teachers are counted separately.

g) *Decennial-Industrial Census*

These have been conducted in 1930, 1950, and 1963. The coverage is broad but certain sectors are excluded on the grounds that the data are available elsewhere, e.g. government and agriculture.

h) *Wage Structure Survey*

Every three years, a wage structure survey is conducted for the manual workers in mining, manufacturing, and building. This is a sample survey of all establishments employing 10 or more persons and from it employment data are available by : industry, municipality, classes, age and sex.

A wage structure survey for salaried employees is conducted every 4 or 5 years. It is a sample survey of all establishments in manufacturing, mining, building, banking and insurance employing 50 or more persons. Data are available by age, sex and level of education.

i) *National Employment Service*

Each year the Ministry of Social Affairs provides estimates of employment by industry, area, and sex. These estimates are based on knowledge of the local labour markets, are available quickly, and are useful in determining the direction of employment changes.

j) *Statistics on Working Persons*

The CBS and the Ministry of Social Affairs are developing jointly a new survey called Statistics on Working Persons. This survey covers all employment, except where complete data is available from other sources (agriculture, government, and education), and is collected from establishments. The data were first collected, on a pilot study basis, in September and October 1964. It will be conducted annually and possibly more frequently. Employment data will be available from this survey by industry, area, status (self-employed, unpaid family worker, etc.) and sex. It is important to note that this survey will not provide occupational data.

3. *Unemployment Statistics*

Unemployment data are collected by the local employment offices where the unemployed must register in order to be eligible for unemployment benefits. From this source statistics are available on :

a) the number of unemployed at the end of each month by occupation, sex and area ;

b) the number of unemployed who registered during each month by occupation, industry of last employment, age, sex, area and (for males only) skill (skilled, semi-skilled and unskilled) ;

c) the number of unemployed at the end of each quarter by occupation, sex, area, age (groupings 15-19, 20-24, 25-39, 40-49, 50 and older) and length of continuous employment. There are no data on cumulative unemployment, unemployment according to marital status, and to educational background.

4. *Activity or Labour Force Participation Rates*

The basic source of information on this subject is the decennial population census. Thus, data are available for 1960 showing labour force participation rates by age, sex, marital status, and area. However, even this source provides no information on the activity rates of such disadvantaged groups as the handicapped.

5. *Job Vacancy Data*

The local employment offices tabulate monthly statistics on job vacancies based on voluntary reporting by employers. The statistics when tabulated show job vacancies by area, by sex, by occupation (192 for men and 56 for women) and by age (under and over 19 years). It is recognised that the statistics do not fully represent existing vacancies for the following reasons : *a*) in a tight labour market some employers may exaggerate the number of vacancies while other do not report, *b*) in a loose market employers can recruit without contacting the employment office, *c*) employers tend to overstate skill requirements, and *d*) employers often fail to notify the office when the vacancy no longer exists.

6. *Statistics on Hours*

The one source of information is the wage survey conducted every 6 months which asks for hours actually worked in a week in April and October. No other data on hours are collected. Some information on overtime and short-time is available, because the employer must obtain a permit to work employees either beyond a statutory maximum or less than a statutory minimum.

7. *Labour Turnover Data*

Labour turnover data were collected and published by the CBS until the end of 1965, when they were stopped on the grounds that they failed to show any variation. The data were collected quarterly from establishments on the basis of category of worker (manual and non-manual) and sex. Data concerning age, marital status, and length of service were not collected. The published data thus contained the number of persons employed at the beginning of the quarter, new hires during the quarter, and departures during the quarter. The departure data were broken down in terms of resignations, dismissals, and natural causes (death, retirement, etc.). This information was available by industry as well as for industry as a whole. Turnover was expressed in terms of the number of people who, for whatsoever reason, left, as a percentage of the number employed at the beginning of the quarter.

Supplementary turnover data are available from the employment offices, as dismissals and resignations require approval from the employment service. These data display marked cyclical variation and are available by industry and area.

8. *Part-time employment*

The 1960 population census provides the only data available on part-time employment.

9. *Multiple Job Holding*

There are no data available on multiple job holding.

10. *Emigration and Immigration*

Statistics on immigration and emigration are available according to : age, sex, marital status, area, and occupation (eight occupational/industrial classifications). No information concerning the educational attainment of either the immigrants or emigrants is available.

The data are collected by the CBS from the registers of residence maintained by the municipalities.

11. *Internal Migration*

The basic source is again the register of residence maintained by the municipalities. From this source the CBS publishes internal migration statistics according to : age, sex, marital status, and area. No occupational or educational information is available.

12. *Commuting*

The 1960 population census included commuting patterns. Each year the local employment offices prepare estimates from payroll data, of commuting male workers, specifying residential area and area of employment.

13. *Foreign Labour and Frontier Workers*

All wage-earning foreigners (except Belgians and Luxemburgers) must have a labour permit issued by the local employment office. The following data are available : the number of permits at the end of each quarter and the number of permits issued during each quarter.

The foreigners are classified into three categories :

a) persons recruited by the Ministry of Social Affairs ;
b) persons recruited by employers with the previous consent of the Ministry ;
c) other persons.

14. *Productivity Data*

The productivity estimates in the Netherlands are based on output-per-employee rather than output-per-hour. The output-per-employee statistics are available monthly and cover manufacturing and mining.

15. *Wage Rates*

As part of the Netherlands wage policy, all the wage rates contained in collective bargaining agreements must be registered and approved. Fairly detailed information on wage rates for manual workers is accordingly available. There are also many collective agreements for salaried employees, and where these exist, information is available on wage rates of salaried employees.

16. *Hourly Earnings*

There are three sources of information on hourly earnings. The first is the survey conducted every three years. This gives details by occupation, area, sex, age, and industry. A similar survey will be conducted under EEC auspices in the six countries of the Community every six years. The first survey will be held in 1967 for 1966. The second is a survey conducted every six months (April and October) which contains details by sex, age and industry. The third is a quarterly sample, begun in 1964, of 2,500 wage earners. The sample is limited to male manual workers over 25 years of age and to non-manual workers over 40 years; it does not change, and is collected from employers. The purpose of this survey is to gain a frequent and rapid impression of the movement of earnings.

17. *Income*

Every three years the CBS conducts a study on income distribution. The most recent was in 1959 as the 1962 study has not yet been completed. The basic source is income tax data and the income unit is determined by the tax system under which couples and children who earn income are considered as a unit. The occupational information is detailed for white-collar and self-employed persons, but not for manual workers.

18. *Vocational Education*

Detailed occupational information is available concerning vocational education, apprenticeship programmes and adult retraining conducted by the government. Information on training done by employers is mixed — it is detailed where the training is subsidised by the government, but nothing is known about what employers do in the way of unsubsidised training.

2. LABOUR SUPPLY RESEARCH PROGRAMMES

a) Regular research into the causes of unemployment;
b) Special research into the causes of unemployment as and when required;
c) Size, distribution and composition of cyclical unemployment to be expected in the event of a recession, in connection with supplementary employment policy;
d) Research into the effects of technical development on the demand for labour, both quantitatively and qualitatively;
e) Regional survey in connection with the designation of problem areas (now known as "encouragement areas");
f) Incidental investigations for advising on places to establish new firms;
g) Incidental investigations into the course of events in a given industry;
h) Examination of part-time work by women.

3. FORECASTS

Every year a forecast is made for the following year of working population, employment, unemployment and commuting. A start has now been made with a medium-long-term forecast up to 1970 in conjunction with the Central Planning Bureau. Ad hoc forecasts have occasionally been made in the past for university graduates in order to prevent surpluses or shortages in certain fields.

Annex 8

TRAINING OF EMPLOYMENT SERVICE STAFF

A. IN-SERVICE TRAINING

1. THE INTRODUCTION AND INSTRUCTION OF NEWLY-RECRUITED STAFF MEMBERS

Formerly the normal induction procedure was limited to a simple introduction to superiors and colleagues, followed by a period of carrying out actual duties under supervision in order to learn the job gradually by practice.

The main defects of this system were :

i) The length of time required for the entrants to become reasonably proficient in the duties to which they were assigned.

ii) The difference in standards in the various sections, under supervisors with varying interest in, and aptitude for, training.

iii) The probability that certain features of the job would not be covered simply because by chance no appropriate example had arisen during the period, and

iv) the danger of misconceptions about the purpose underlying the job because the entrants had been plunged into detailed operations without being given any preparatory insight into the general framework of organisation and policy.

With a view to remedying this, the Director-General has made a deliberate effort, over the past few years, to foster an effective and systematic induction programme as an integral part of personnel policy.

The introduction process may be divided into three stages, induction, orientation and instruction.

i) Induction. Detailed planning of this is the responsibility of the manager of the office to which the entrant is first posted. It consists generally of a short explanation of the rights and duties of staff and a brief description of the functions of the service, followed by a tour of the premises and introduction to supervisors and colleagues.

ii) Orientation lasts several weeks, during which time the new entrant is given the opportunity of becoming familiar with the organisation of the service and the way in which his first office fits into the general pattern. This stage is also planned by the manager and supervisors of the office concerned ; they decide both the programme of sections to be visited and the aspects of the work to be covered within each one.

iii) Instruction : this is where detailed training on the job starts. Instruction is given by the supervisor, guided by general principles which, in the interest of uniformity, have been laid down by headquarters. Such uniformity of procedure is especially important in the case of placing operations, on which the greater part of the service staff is employed.

This kind of training, however, depends for its effectiveness on an adequate experienced staff being already in post, especially in the smaller offices, whereas at the moment the service generally is suffering from a shortage of such staff. To remedy this deficiency a system of formal specially-designed courses in placing work has been established. These consist of 10 weeks intensive training by means of lectures, casework, role-playing, excursions etc. under the tutelage of senior placing officers selected for their intellectual qualities and teaching ability. There are 24 of these officers posted in various parts of the country, each having amongst other things a set of flannel-board visual aids. The whole system is under the supervision of the Director-General's adviser on staff-training, a Principal Officer, who meets the Instructor officers at least twice a year in groups convened for the purpose. A similar system of refresher courses has been arranged for older staff members who need readaptation.

These accelerated courses started in October 1964 and are expected to last until April 1966, by which time some 650 senior placing officers will have been re-trained.

2. THE ACCELERATED TRAINING COURSE FOR YOUTH EMPLOYMENT COUNSELLORS

The growing complication of occupational life, which has already led to the creation of an Occupational Information system requiring special skills and techniques, now calls for the appointment of Specialist Youth Employment Counsellors.

A number of carefully selected youth employment officers have attended an accelerated training course to acquire the scientific background information necessary for this work. One course, lasting 18 months, has so far been held for officers of 35 and over.

The following subjects were included in the syllabus :

Psychology of Puberty and Adolescence ;
Teaching Methods ;
Sociology ;
Economy ;
Job Analysis ;
The Educational System ;
Employment Structure ;
Organisation and Lecturing Techniques.

3. THE ACCELERATED TRAINING FOR DISABLED RESETTLEMENT OFFICERS

A training course will shortly be given for Disabled Resettlement Officers under the same conditions as the course for youth employment counsellors.

In this case the syllabus covers subjects mainly in the social and medical field.

B. INSTITUTIONAL (NON-SERVICE) TRAINING

I. The MSA (Basic Social Work) Training Course is considered as a form of Primary Social Pedagogic Education. The professional certificate given at the end of this training is the qualification required by the General Directorate for Manpower for employment as a placement officer. These courses are organised by the (state-supported) Social Work Training Foundation in Haarlem. The training-programme lasts three years ; trainees must be eighteen or over and must possess the established requirements of general education.

The course is in two stages ; the first stage covers economic, sociological and legal subjects.

The second stage provides for lectures, discussions and practical training in the field of psychology, labour-market and employment policy, social welfare, interviewing and reporting techniques, organisation and administration.

Special training is given in these courses according to whether trainees intend to join the Employment Service or one of the social welfare institutions.

The courses are given partly during working hours. After successful termination the greater part of the study expenses are reimbursed to the trainee.

II. The HSA (Higher Grade Social Work) Training Course is acknowledged as an advanced form of social-pedagogic education, which leads to a higher grade professional certificate and paves the way to senior staff positions on secondary level. Those taking part must be at least twenty-five years old and must meet certain standards of preliminary and general education.

The syllabus of the course, which is in three one-year stages, is as follows :

1st year

Anthropology
Psychology
Sociology
Social Ethics
Social Pedagogics
Social Law/Policy
Government Organisation
Economy
Civil Law
Social Medicine
Casework Introduction

2nd year

Anthropology
Psychology
Sociology
Social Ethics
Social Pedagogics
Social Law/Policy
Social Casework
Employment-Policy
Social Welfare

Reporting

3rd year

Management Techniques
Policy-making Techniques
Social Casework
Occupational Sociology
Interviewing Techniques
Social Medicine
Conference Techniques
Lecturing

Economy
Employment Policy
Social Law
Job-Analysis
Occupational Information
Group-Work Introduction
Community Organisation

III. Supplementary Training Course for Higher Grade Social Work Certificate.

This course is designed to enable senior staff members holding the old MWB Training Course Certificate to acquire the (new) Higher Grade Social Work Certificate, which offers ampler opportunities for a position in the supervisory or higher specialist grades.

IV. Training Courses for Vocational Guidance Officers are also organised by the Social Work Training Foundation, in this case under the auspices of the National Vocational Guidance Council. Those attending must be between 23 and 46 years old, and must possess the required standard of education. Training of vocational guidance officers is carried out on behalf of the National Employment Service as well as in the interests of both municipal and private institutions. The courses cover three one-year periods ; a certificate can be acquired on completion of the second year for the qualification of Assistant Vocational Guidance Officer. At the end of the third year there is a final examination for the provisional certificate.

Two more years' practice in the vocational guidance field are required for qualification as a vocational guidance specialist. The syllabus of these three years' courses covers psychology, job-analysis, the educational system, social medicine, interviewing, and related scientific fields.

C. THE IN-SERVICE STAFF INDUCTION SYSTEM

1. INTRODUCTION AND TRAINING OF YOUNG UNIVERSITY GRADUATES AS STAFF MEMBERS

In 1961 a special training system was set up for university-educated junior staff members destined for management functions in the General Directorate for Manpower. After a competitive examination, university-leavers are attached to the service for a practical training scheme covering four years. In the first year they obtain a general view of the work of the Service by working successively at headquarters, in district and in local offices. After this they must do four years of practical training, two years at headquarters and two years in local or district offices. The scheme is designed to use the trainee to the best advantage and if possible in accordance with his own preferences.

2. TRAINING FOR HIGHER GRADE FUNCTIONS OF SECONDARY LEVEL

The Director General is examining the possibility of introducing a corresponding training system for secondary group staff officials. Attention will also be given to establishing specific guidelines for the control of career prospects of newly recruited staff members. Proposals provide for career planning, on more or less the same principle as that adopted for university-degree junior staff members instead of merely appointing applicants to vacancies. There is one stipulation, however, and this is that in many cases the higher grade certificate HSA must be acquired.

After completing training, applicants can be considered for suitable posts at higher grade secondary level in management or in the specialist field.

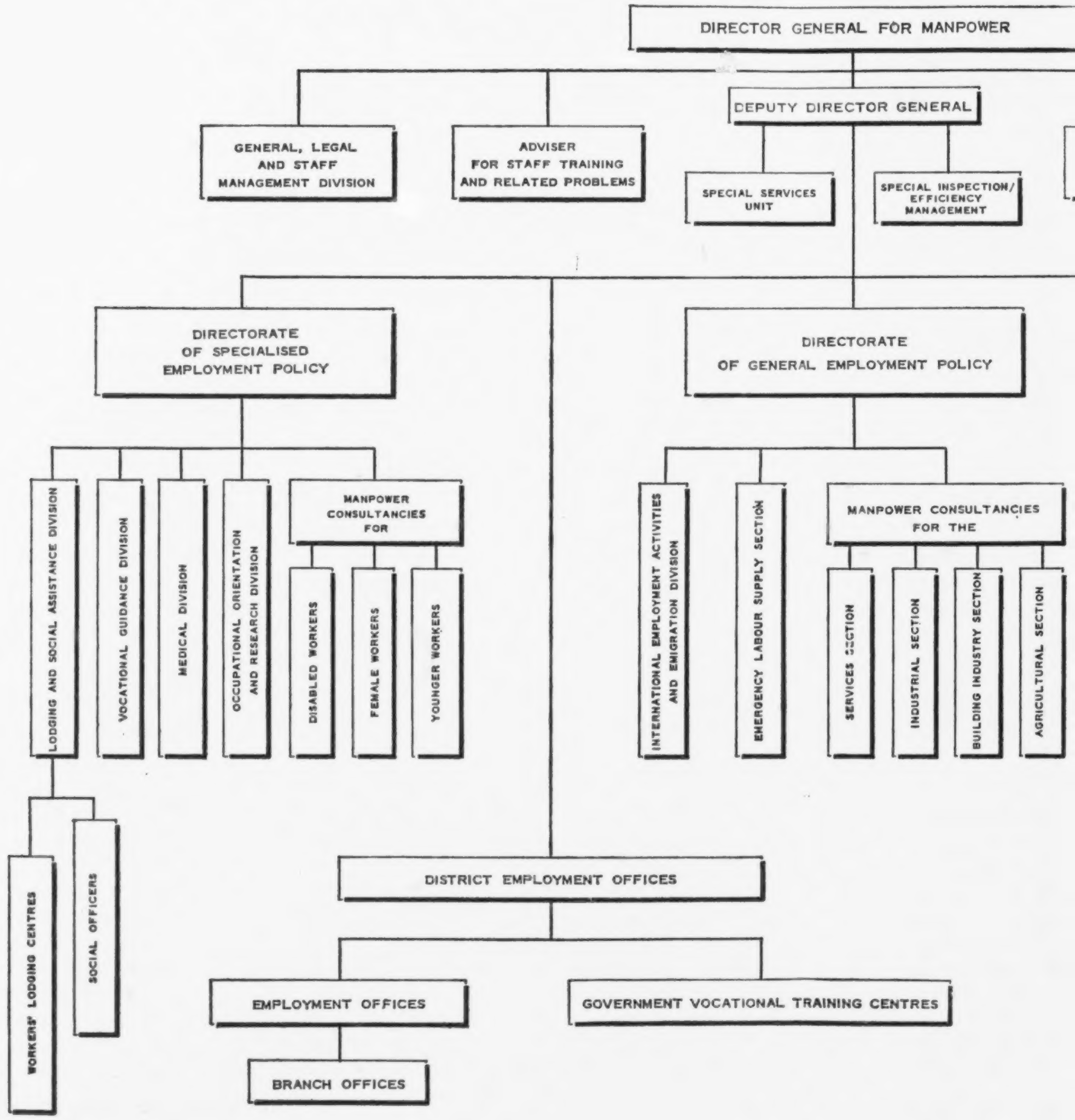
Adoption of the career control system is indispensable if the efficiency of staff training is to be ensured.

Annex 9

STRUCTURE OF THE GENERAL DIRECTORATE FOR MANPOWER

Annex 9

STRUCTURE OF THE GENERAL DIRECTORATE FOR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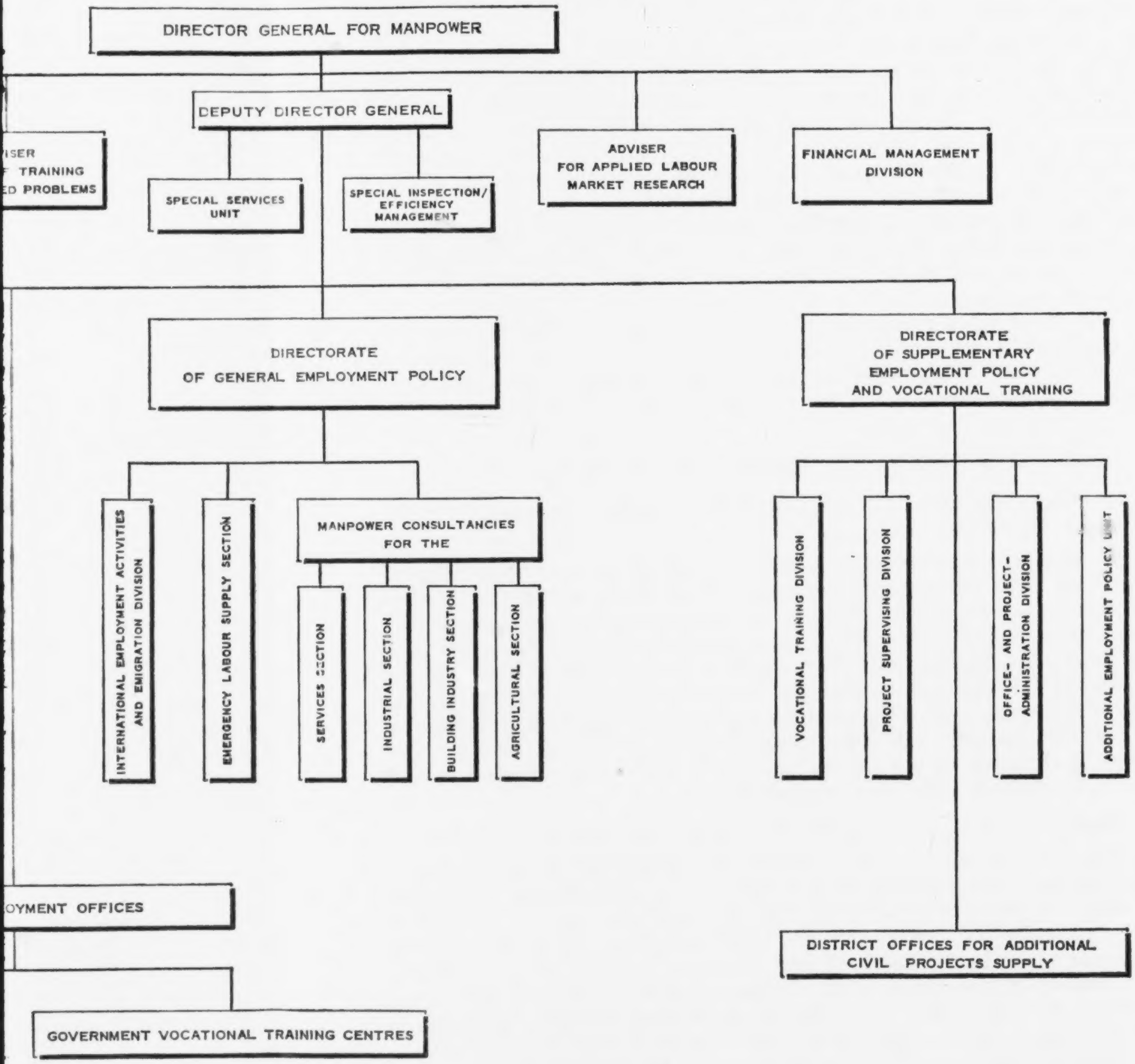
GENERAL, LEGAL AND STAFF MANAGEMENT DIVISION
ADVISER FOR STAFF TRAINING AND RELATED PROBLEMS
DEPUTY DIRECTOR GENERAL
SPECIAL SERVICES UNIT
SPECIAL INSPECTION/ EFFICIENCY MANAGEMENT
DIRECTORATE OF SPECIALISED EMPLOYMENT POLICY
DIRECTORATE OF GENERAL EMPLOYMENT POLICY
LODGING AND SOCIAL ASSISTANCE DIVISION
VOCATIONAL GUIDANCE DIVISION
MEDICAL DIVISION
OCCUPATIONAL ORIENTATION AND RESEARCH DIVISION
MANPOWER CONSULTANCIES FOR
DISABLED WORKERS
FEMALE WORKERS
YOUNGER WORKERS
INTERNATIONAL EMPLOYMENT ACTIVITIES AND EMIGRATION DIVISION
EMERGENCY LABOUR SUPPLY SECTION
MANPOWER CONSULTANCIES FOR THE
SERVICES SECTION
INDUSTRIAL SECTION
BUILDING INDUSTRY SECTION
AGRICULTURAL SECTION
WORKERS' LODGING CENTRES
SOCIAL OFFICERS
DISTRICT EMPLOYMENT OFFICES
EMPLOYMENT OFFICES
GOVERNMENT VOCATIONAL TRAINING CENTRES
BRANCH OFFICES

Annex 9

UCTURE OF THE GENERAL DIRECTORATE FOR MANPOWER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SPECIAL INSPECTION/ EFFICIENCY MANAGEMENT
ADVISER FOR APPLIED LABOUR MARKET RESEARCH
FINANCIAL MANAGEMENT DIVISION
DIRECTORATE OF GENERAL EMPLOYMENT POLICY
DIRECTORATE OF SUPPLEMENTARY EMPLOYMENT POLICY AND VOCATIONAL TRAINING
INTERNATIONAL EMPLOYMENT ACTIVITIES AND EMIGRATION DIVISION
EMERGENCY LABOUR SUPPLY SECTION
MANPOWER CONSULTANCIES FOR THE
SERVICES SECTION
INDUSTRIAL SECTION
BUILDING INDUSTRY SECTION
AGRICULTURAL SECTION
VOCATIONAL TRAINING DIVISION
PROJECT SUPERVISING DIVISION
OFFICE- AND PROJECT-ADMINISTRATION DIVISION
ADDITIONAL EMPLOYMENT POLICY UNIT
OYMENT OFFICES
DISTRICT OFFICES FOR ADDITIONAL CIVIL PROJECTS SUPPLY
GOVERNMENT VOCATIONAL TRAINING CENTRES

Annex 10

SUPPLEMENTARY EMPLOYMENT POLICY

I. Policy

In support of the Government's general employment policy, "supplementary" works will be carried out where necessary in order to create additional employment by executing projects which would either not be done at all, as normal work, or not until a much later date.

By giving a subsidy, the State ensures that such works are carried out at a time when there is local unemployment ; in other words the central government "creates" supplementary employment.

Projects which qualify for (accelerated) implementation as supplementary work include civil engineering works of the State, of local authorities and of private bodies (such as roads, sewerage systems, sports and recreation grounds, land reclamation schemes), as well as land improvement works.

These works are executed either by contractors, or on a cost and wages basis in a reasonably labour intensive way, in order to achieve a fair measure of employment with limited financial means. The necessary labour has to be engaged through the intermediary of the Employment Service, in order to ensure that unemployed persons are put to work on the projects.

Those employed on supplementary works must be registered and suitable unemployed persons aged between 21 and 65. In view of the nature of the supplementary work projects, only unskilled manual workers can, as a rule, be regarded as eligible.

The possibilities of direct placement for skilled manual workers and for white-collar workers are limited.

Because of its nature, "supplementary" employment can only provide work temporarily. However, the same wage conditions and other terms apply as in normal projects.

The Directorate for Supplementary Employment Policy and Vocational Training of the General-Directorate for Manpower is responsible for this work and there is an item in its budget to cover the necessary amounts for subsidies. Close co-operation with the Employment Service, which belongs to the same General-Directorate, is essential. By virtue of its knowledge of the labour market, this is the Service which is most aware of the possible need for supplementary employment.

Obtaining the plans which are eligible for subsidies, and supervision of their implementation is entrusted to those Services which are most expert in these matters : viz. the Public Works Directorate for civil-engineering works of the State, and the Land Improvement Service for land improvement works. The Supplementary Employment Service itself is responsible for civil engineering projects emanating from other than State sources[1].

An organisation is needed to *regulate* the supplementary works, i.e. to decide when to go ahead, to accelerate, to slow down or even to stop them, depending on the need for supplementary employment. As this can be done better regionally than nationally, this task is entrusted to Provincial Employment Committees, which consist of provincial authorities, regional representatives of the Government Services concerned and of the Social partners.

These committees are concerned with *stock-piling* (encouraging acquisition and advising on subsidies) planning (periodically drawing up a list of works to be done by means of forecasts), and, as principal task, the regulation of works.

The Supplementary Employment Service is aided centrally in its duties by :

1. The Interdepartmental Public Works Co-ordination Board, instituted by the Minister of Social Affairs and Public Health, in co-operation with the Ministers of Internal Affairs, of Finance, of Housing and Building, of Transport and Public Works, of Economic Affairs and of Agriculture and Fisheries. The Director-General for Manpower is ex officio its chairman and it consists of representatives of the Ministries concerned. The duties of the Board include assessing the plans which are proposed for addition to the stock of supplementary works, and the subsidisation of these plans ; it also periodically checks the regional programmes (planning) against the extent and nature of demand and deals with all matters arising from this, including co-ordination of supplementary employment policy with general Government policy, all the above being subject to the approval of the Minister of Social Affairs and Public Health.
2. The Advisory Subcommittee for Supplementary Employment, as a Subcommittee of the Central Advisory Committee for Manpower. It advises on policy regarding the placement of the unemployed ; representatives of the central national organisations of employers and employees and other bodies, such as the Netherlands Union of Municipal Authorities and the Union of District Drainage Associations can contribute to policy-making.

II. THE SYSTEM OF SUPPLEMENTARY EMPLOYMENT

The activities relating to supplementary employment may be subdivided into :

1. Stockpiling ;
2. Estimating the supply to be expected (forecasting) ;
3. Planning ;
4. Regulation.

---

[1] The Central Service has 4 specialised district offices at its disposal.

1. *Stockpiling*

The preparation of plans for projects cannot wait until the unemployed persons report for work. It demands considerable time and even many years for large civil engineering projects. Subsidisation, too, demands several months as a rule. It is therefore necessary to have a stock of subsidised work projects completely ready for implementation which can be drawn on as and when required.

This stock should be distributed throughout the country. Supplementary works must be sufficiently near to the workers to enable them to travel daily to and from the project. In addition, this stock should be as varied as possible and should therefore comprise civil engineering and land improvement works, projects performed on a cost and wages basis and contract projects, labour intensive works ("cheap" ones) as well as works utilising heavy equipment ("expensive" ones). Standards per area have been laid down for the stock to be built up ; if necessary subsidies can be granted for timely preparation of projects.

2. *The forecast*

Between the decision to perform a project and the moment at which the unemployed can set to work, some time must elapse and this varies from a few weeks to about three months. In order to restrict this unavoidable loss of time as much as possible, estimates will have to be made in advance and continuously of the numbers of unemployed expected to qualify for supplementary employment during the next 6 months (forecast), and also of the way in which these unemployed should be put to work (planning).

3. *The planning*

By means of the forecast of the number of unemployed expected to be suitable for supplementary employment, a provisional choice can already be made from the stock of subsidised works which can absorb the expected supply. Selection must take into account a considerable number of relevant factors, mainly of regional importance, which make planning a complicated affair. This task has been entrusted to the Working Committee of the Provincial Employment Committee.

Plans are drawn up by the Working Committee in accordance with indications given by the central service, in principle twice a year, and are submitted for approval.

4. *Regulation*

The actual supply of labour should preferably be distributed from week to week among the supplementary works in progress, whilst the decision to perform new works, if necessary, will have to be taken in good time. The regulation of works is therefore also entrusted to the Working Committee.

Placement on supplementary employment works is carried out by the employment offices in accordance with directives laid down in consultation with the Advisory Committee for Supplementary Employment. These directives include indications regarding the order of placement of the supply.

The decision to go ahead, accelerate or slow down, or to stop supplementary works is taken by the Working Committee according to the development of the local labour market and taking into account the interests of all parties concerned.

III. JOINT SUBSIDISATION WITH OTHER MINISTRIES

In order to make the measures to combat unemployment serve regional development policy at the same time, collaboration has been sought with other ministries, which has resulted in a number of cases of joint subsidisation.

A successful form of collaboration has been reached with the Committee for Industrial Development in the Problem Areas, which comes under the Ministry of Economic Affairs. This has led to co-subsidisation of the works of the infrastructure programme for fostering industrialisation in the encouragement areas. Practically all of these areas belong to regions with structural unemployment where supplementary employment has in any case to be created.

Many works on the Economic Affairs infrastructure programme which are of importance to industrialisation have been carried out as supplementary works, the interests of both Ministries thus being served.

Since the Ministry of Economic Affairs has no technical service of its own, technical advice and supervision are supplied at its request for infrastructure projects which do not qualify for implementation as supplementary employment projects.

Where possible, collaboration is ensured with the Interdepartmental Committee for Open-Air Recreation and Tourism, which now comes under the Ministries of Culture, Recreation and Social Work and of Economic Affairs, for the joint subsidisation of projects for fostering recreation and tourism. Technical advice and supervision of implementation are also provided in this field.

IV. EXPENDITURE

The amounts spent for supplementary employment activities were :

In million guilders.

1956	64.7	1961	36.2
1957	59.7	1962	26.7
1958	84.2	1963	20.4
1959	91.7	1964	27.6
1960	61.0	1965	27.5

V. FUTURE DEVELOPMENT

In conclusion it should be stated that the above system, which has been applied since 1954, is no longer entirely satisfactory, and a change in supplementary employment policy is therefore being contemplated. The main drawbacks are :

1. that costs per man-week have risen steeply :
   a) through increasing mechanisation ;

   b) because works requiring little equipment, such as soil improvement, are becoming increasingly scarce and the costs for supervisors are becoming too high.

2. that the number of workers qualifying for the present type of supplementary works is decreasing, while the system as it stands offers no remedy for the growing groups of unemployed, such as skilled workers and administrative personnel.

Annex 11

THE ORGANISATION OF EDUCATION IN THE NETHERLANDS

GENERAL PRINCIPLES

The Constitution and the various education Acts lay stress on the freedom of parents to choose an education for their children in accordance with their principles and beliefs. They nevertheless ascribe definite responsibilities to the Government and require it to make education an object of constant concern.

ORGANISATION OF STUDIES

General Education

Pre-primary education for children between the ages of 4 and 7 years (Kleuteronderwijs).

Ordinary primary education (Gewoon Lager Onderwijs), is designed to impart a basic education over a period of six years.

Special primary education (Buitengewoon lager onderwijs) is provided for children who are mentally or physically unfit to attend ordinary primary schools.

The Gymnasium, which is attended after the six years at primary school, gives a further six years' education for those who intend to study at a university or at other institutions of higher education. In the last two school-years the pupils are separated into two sections : the alpha-section where the emphasis is on Greek and Latin, and the beta-section with Greek and Latin, but where the emphasis is on science.

The modern grammar school (Hogere Burger School, HBS) provides a five-years' course (sometimes 6 years). After the first three years pupils are divided into two sections : A and B. In the A-section the stress is on economic and social studies and languages, and in the B-section on mathematics and science. The HBS has a dual purpose : for some it is a pre-university training, for others it is a general education at advanced level for careers in commerce, industry etc., or an education that leads to higher vocational schools. By virtue of the new legislation, the present five-years HBS, in so far as it prepares pupils for university education, will be superseded by a new type of school (Atheneum) offering a six-years' course.

The Lyceum combines the Gymnasium and the HBS with a uniform basic course of two years. Attached to some Lyceums are departments of secondary schools for girls where pupils can continue their studies after completing the basic course.

The secondary school for girls (Middelbare School voor meisjes) provides a five-years' course. Under the new Act this type of school falls into a category HAVO (hoger algemeen voortgezet onderwijs : general post-primary education at upper level) ; in the future, HAVO-schools will also serve to replace the present five-years' HBS designed to provide a general training for careers in commerce, industry etc., and also as preparation for technical and vocational education at the higher level.

Advanced primary education (Schools for Uitgebreid Lager Onderwijs ULO). These schools are attended after the six years at primary school and in general give a four-years' course, in some cases three years. Besides the usual elementary subjects, tuition is given in English, French, German, general history, mathematics, and the principles of commerce. Under the new Act the education at present given at advanced primary schools will be superseded by general post-primary education at intermediate level (MAVO : middelbaar algemeen voortgezet onderwijs). As a rule these schools will prepare pupils for a secondary vocational training school.

Complementary primary education (Voortgezet Gewoon Lager Onderwijs VGLO) comprises a minimum of two years following the six years at primary school. It is a branch of education which is less theoretical and more attuned to practical skill. In addition to the ordinary primary school subjects, the curriculum includes world history, handicrafts, and needlework and housecraft for girls. Under the new Act, the LAVO (lager algemeen voortgezet onderwijs — general post-primary education at lower level) will be given during the first, or the first and second years, at a lagere technische school to facilitate gradual transition, or at separate schools providing a two-year course.

Technical vocational education

The aim of technical and vocational education is to give young people a general grounding for trades and crafts, industry, the mercantile marine, domestic economy, rural domestic economy and feminine handicrafts, while continuing their general education. It also comprises training for social workers, training by the apprenticeship-system and provides for schools of applied art and retail trade.

Technical Education. There are schools of various levels which prepare children for technical careers :

Lower general and technical education (Lagere Technische School) : LTS Pupils attend these schools directly after the sixth year of primary education. In general the training provided covers a three-years' period.

Existing two-year courses are gradually being extended to three years. For certain types of training the duration of the course is fixed at four years. The object of training is to furnish a basis for the pupils' further development either under the apprenticeship-system or in factories and workshops only.

The Apprenticeship-system (The Leerlingstelsel). In the apprenticeship-system the pupil receives, on the basis of an apprenticeship contract, a training in the practical skill of a certain trade, as well as general and vocational education. In addition to the practical training in the workshop, the pupil is obliged to attend a vocational day or evening school for general education and vocational training. A new bill on the apprenticeship-system has been approved by the States-General.

Secondary technical school (Uitgebreid Technische School UTS). Pupils wishing to attend schools of this type are required to undergo a preliminary training consisting of at least two, and in general three, years of secondary general education. They are intended for boys who are likely to occupy subordinate posts or to become heads of small enterprises after the appropriate continued training on the job. The main courses given are elementary mechanical, electrical, civil and hydraulic engineering.

Technical college (Hogere Technische School). The minimum requirement for admission to these schools is in general four years of secondary general education. The courses are designed to improve general technical knowledge by a thorough theoretical grounding leading to direct application. The training prepares pupils for intermediate posts of all kinds in industrial undertakings. After a preparatory year for those who had four years of secondary general education, the course lasts four years including one year of training on the job. Generally the schools have the following departments : building engineering, hydraulic engineering, mechanical engineering, electrical engineering and chemical technology.

In all branches of vocational and technical education for boys there are vakscholen "which provide training in one or a limited number" of trades. On the LTS-level there are e.g. schools for seafishery and inland shipping, printing trade-schools, textile trade-schools, footwear trade-schools, etc. Then there are factory schools (bedrijfsscholen) for boys, run by certain industrial concerns. On the UTS-level there are trade-schools for automobile techniques, the aero-technical school (de luchtvaart-technische school), photographers, textile techniques, printing painting, etc. On the HTS-level there are nautical schools, schools for training engineers for ships, the mining school, the advanced textile training school etc.

Domestic and Vocational Education

In this branch are :

Elementary domestic economy education for girls (The Lager Nijverheidsonderwijs voor Meisjes LNOM).

Advanced elementary domestic economy training (Uitgebreid lager nijverheidsonderwijs voor meisjes, ULNOM).

Secondary domestic economy schools (Middelbaar nijverheidsonderwijs voor meisjes MNO).

Agricultural and horticultural education (Land- en tuinbouwonderwijs) on primary, secondary and higher level.

Schools for the retail trades (Scholen voor de detailhandel).

Commercial schools (Handelsscholen).

Training for fine and applied arts (Kunstnijverheidsonderwijs).

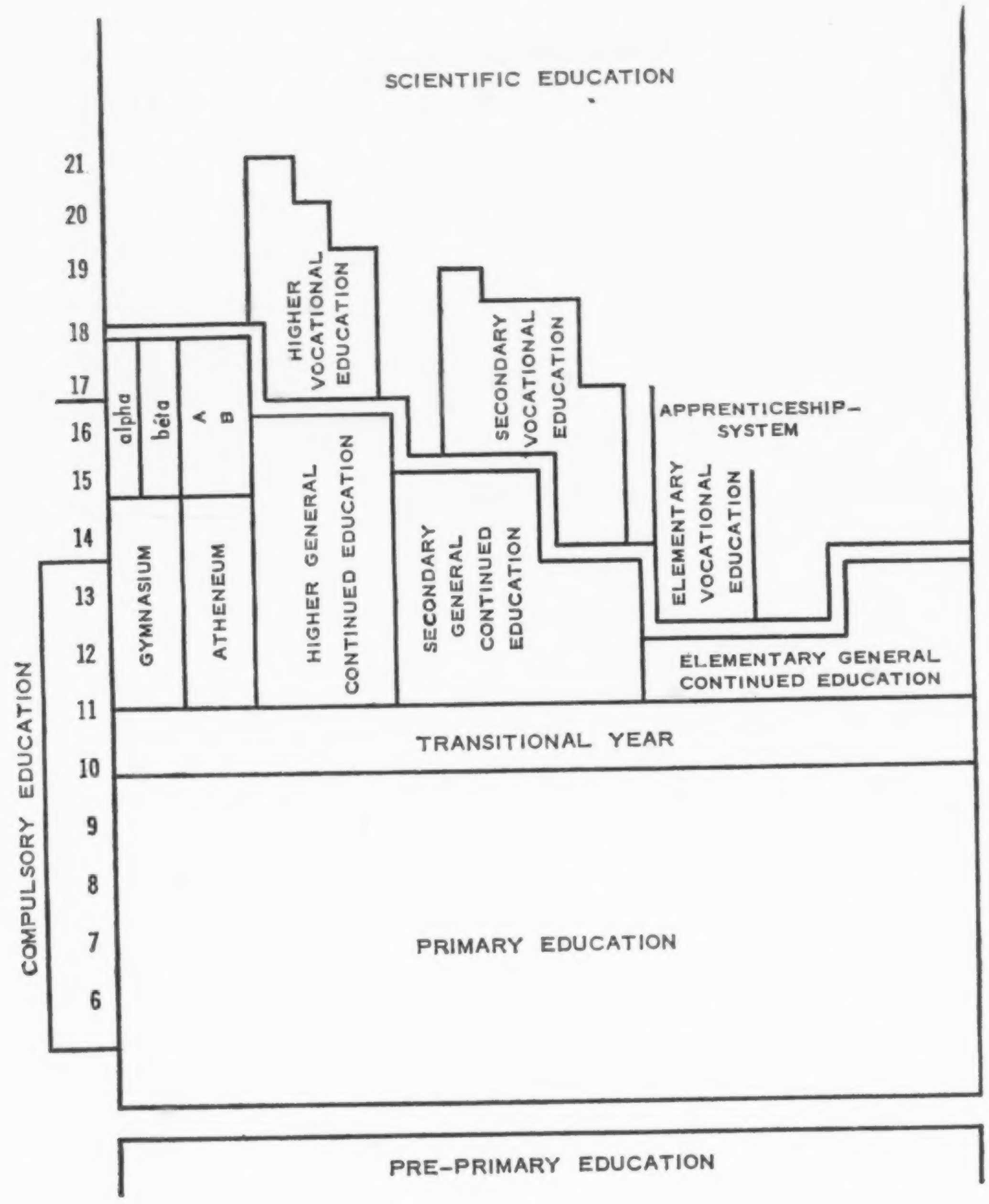
Social Academies train pupils for careers in social work, community development, cultural work, and personnel management.

Training of youth leaders (Scholen voor jeugdleidersopleiding).

Teacher training

Infant teachers' training schools (Opleidingsscholen voor kleuterleidsters).
Primary teachers' training schools (Kweekscholen voor onderwijzers).
Training of secondary school teachers (Opleiding tot leraar).
Training is given at universities or institutes preparing pupils for the secondary school teachers' certificate.
Teachers for technical schools for boys are trained at the schools of the Nederlands Genootschap tot opleiding van leerkrachten voor het nijverheidsonderwijs (Netherlands Society for the Training of Teachers for Technical Education), except in cases where qualifications are governed by other education acts.

NEW EDUCATIONAL SYSTEM IN THE NETHERLANDS
ACCORDING TO THE LAW ON POST-PRIMARY EDUCATION 1963


SCIENTIFIC EDUCATION
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SECONDARY VOCATIONAL EDUCATION
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GYMNASIUM
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SECONDARY GENERAL CONTINUED EDUCATION
ELEMENTARY VOCATIONAL EDUCATION
ELEMENTARY GENERAL CONTINUED EDUCATION
TRANSITIONAL YEAR
COMPULSORY EDUCATION
PRIMARY EDUCATION
PRE-PRIMARY EDUCATION

Annex 12

CONCERN OF PUBLIC LAW WITH DISMISSAL AND RESIGNATION

By virtue of the Extraordinary Labour Relations Decree 1945 (BBA '45) the provisions of public law regarding dismissals and resignation in the Netherlands have a certain effect on the private-law regulations of the Civil Code.

The BBA '45 is a Royal Decree with the force of law. The original aim of the administrative protection against dismissal arising out of this Decree was to establish some order in the chaotic labour situation in the Netherlands immediately after the Second World War. The emergency measures soon took root and have therefore been maintained. They are still in force today.

Section 6, subsection 1, of the BBA '45 reads : "The employer and the employee are forbidden to terminate the labour relation without the permission of the Director of the Regional Employment Office."

Section 9 of the BBA '45 reads :

"1. Acts performed in contravention of Sections 6, subsection 1, and ... shall be null.
2. This nullity may be invoked for six months by the employee with regard to acts performed by the employer and by the employer with regard to acts performed by the employee."

In other words, the termination is supervised under public law. For, according to the sections of the BBA '45 cited above, both the employer and the employee are forbidden to terminate a labour relation without the permission of the Director of the Regional Employment Office. However, this prohibition does not apply if the termination is the result of an urgent reason communicated forthwith to the opposite party or if it is by mutual consent. Nor does the prohibition apply to a number of categories of persons named in the Decree, viz :

a) employees of a public corporation,
b) teachers and lecturers employed by educational institutions administered by a natural or juridical person,
c) persons in Holy Orders,
d) female employees who perform solely or mainly domestic or personal services in the households of private persons. Moreover, the prohibition does not apply to a number of separately designated categories, including managing directors of limited liability companies and persons serving a probationary period, during that period.

The permission of the Director of the Regional Employment Office constitutes consent by public law, which does not in itself terminate the labour relation but is required to validate civil-law termination by one of the parties. This party must observe in full the requirements and the notice laid down in the Civil Code. For a period of six months the opposite party can invoke the civil nullity of the termination. This means that he can adopt the attitude (he is not obliged to do so) that the employment is still continuing, so that he may invoke all rights arising out of this still existing labour relation. In particular, the employee who has been dismissed without permission can continue to demand that his wage be paid as long as he himself is prepared to perform the work asked of him, and the employer may demand that an employee who has left his service without permission returns and resumes work.

The Director of the Regional Employment Office does not decide on an application for a permit until he has sought the advice of representatives of the employer's and employee's organisations, and after consulting the representative of the Labour Inspectorate. In addition there are guidelines for verification policy which have been drawn up centrally by the Directorate-General for Manpower in consultation with the central organisations of employers and employees.

In concrete terms, the required dismissal or resignation is assessed very quickly and expertly on its fairness, partly in the light of relations on the labour market and of the other possibilities which are open to both the employer and the employee. The Director of the Regional Employment Office also mediates between the parties on many occasions, so that a solution other than a termination plain and simple is achieved.

Through this far-reaching preventive verification of the decision, in consultation with representatives of the above organisations, the possibility of a decision being brought to court on grounds of obvious unreasonableness, as provided for in the Civil Code, is only relatively rarely used.

From a formal legal point of view, the purely civil-law regulations of the Civil Code and the public-law regulations of the BBA '45 are geared to one another. In practice, the regulations of the Civil Code offer a further possibility of redress if the decision of the Director of the Regional Employment Office is contested. If the Director of the Regional Employment Office refuses to give permission for dismissal or resignation and continues to refuse after repeated requests, the disappointed party may still ask the court to dissolve the contract of employment independently for valid reasons.

Finally, it should be added here that the permit by the Director of the Regional Employment Office to terminate the labour relation is of limited duration. If the applicant does not use the permit during this period, he requires a new permit for dismissal or resignation afterwards, which will be granted or refused in the light of the circumstances prevailing then.

Annex 13

THE HOEKSE WAARD EXPERIMENT FOR IMPROVING THE QUALITY OF AGRICULTURAL MANPOWER

Although the supply of agricultural labour is adapting numerically to the number of jobs available in agriculture, research has shown that this adaptation is not in accordance with the standards of active manpower policy.

According to this policy the ideal situation is one in which, as employment decreases, a corresponding decrease takes place in the number of people entering agriculture. The reduction in employment is thus obtained at the primary entrance stage and not by a spontaneous exodus from agriculture at a later stage. What actually happens at the moment is that the exodus from agriculture is so considerable that, in spite of decreasing employment, the primary inflow can still be large.

The fact that this exodus is spontaneous shows that the workers themselves recognise that possibilities in agriculture are very restricted. These ex-agricultural workers will be employed mainly in unskilled jobs in industry, and will be the first to suffer if there is a recession in industry.

Opportunities in agriculture are therefore not sufficient to hold the workers whose interest in their jobs is determined by :

a) the social climate in which the profession is exercised ; and
b) the vocational training necessary for practising that profession.

The social climate is determined by a number of interdependent factors such as occupational circumstances, professional relationships, wages, working hours, social standing, lodging, employment prospects. The degree of influence of each of these factors is determined by the traditions of social and cultural life in the region.

Occupational training is a very important factor in the worker's relationship to his career, because having made the effort to acquire this training he will obviously resist occupational change. The decrease in agricultural employment with a smaller number of workers per farm calls for economical management and for higher skills among the remaining workers.

More agricultural machinery and installations coupled with less willingness by local artisans to do simple utility jobs, make it necessary for agricultural undertakings to maintain, repair and renew buildings, machinery, tools etc. Besides requiring higher standards of professional skill, the job of agricultural worker also calls for considerable manual proficiency as well. Very few agricultural workers have had an adequate occupational training as, so far, such a training has not been considered necessary either by workers or by employers.

The Directorate-General for Manpower has prepared guidelines for a long-term policy for manpower in agriculture in which it lays stress on the need for improvement in the quality of agricultural manpower. The basic policy lines which have been made known to agricultural employers are the following. The supply of manpower will be organised by agricultural enterprises collectively at regional level. The regional approach is indispensable because manpower should not be required to move outside the regional area, and secondly because it is the development of the regional labour market which will determine the size and nature of the activities in favour of agricultural manpower.

Since the number of workers employed on each farm is small, it is only by a collective approach that a solution to the agricultural manpower problem can be found. The authorities must be kept continually informed on developments in manpower requirements and supply, as the disparities will be the starting point for the planning of regional manpower supply.

In any such planning, reduction of the exodus from agriculture will be one of the main tasks, and the programme will therefore be directed towards :

improving all circumstances which, according to regional research, have an unfavourable influence on the social environment of the agricultural worker's career ;

giving additional training to adult farm workers ;

determining the number, type of employment and training of (young) agricultural apprentices.

The effects of this programme will appear in a more evenly balanced age-pattern among agricultural workers, leading to increased stability of the agricultural manpower. The phenomenon of seasonal workers is incompatible with a future balanced manpower structure in agriculture and it is hoped in the long run to replace this type of work by full-time employment.

The Directorate for Manpower is taking a keen interest in these experiments which may provide a basis for a manpower policy for agricultural workers.

Discussions with agricultural employers have led to a decision to try out these ideas and judge on results. Financial aid may be granted in support of manpower activities and is at present operating in five different areas.

The Agricultural Manpower Supply Foundation in the Hoeksche Waard Area is the first institution to start on this type of experiment which will be carried out in three different ways :

The Foundation will be responsible for : keeping the manpower supply under continuous observation so as to foresee and counter any bottlenecks ; establishing measures to achieve an appropriate manpower development ; keeping agricultural employers informed on such questions.

The Foundation will also try to ensure that *the activities of other services and institutions* which influence the size and nature of manpower supply to agriculture are in line with the main aim of ensuring an effective manpower supply. This is mainly a question of co-ordination and encouragement.

Some activities may be carried out under *joint control* if this is considered practical and effective.

Annex 14

BACKGROUND AND OBJECTIVES OF THE MANPOWER ACT

The development of science and technology and the change in the necessities of life are having a considerable effect on the production process in every sector of economic life. Some branches of industry are contracting, others are expanding, entirely new branches are coming into being, production methods are changing. In the post-war years in particular this dynamism has greatly increased, and everything points to this development continuing unabated in the future.

The result of all this is that the structure of employment and the accompanying pattern of labour demand are subject to constant change. Alterations in the demand pattern are not confined to shifts in the numerical ratios of the types of labour demanded. The introduction of new production techniques also brings in its train changes in the job content of some occupations, creates entirely new occupations, and in this way proceeds in part to make new requirements of the knowledge, skill and mental attitude of the labour potential. This labour potential is formed by the working population, i.e. that part of the total population ready and able to participate in employment. The population is subject to constant growth ; for this reason the working population will also increase. The legal possibility of working, and the readiness to do so, are subject to the influence of social ideas on this score. Finally, suitability for work is determined by individual circumstances and also by the development in all kinds of sectors, such as education, rehabilitation in the general sense, etc. All this means that the composition of the working population is also constantly changing both quantitatively and qualitatively.

It will be clear that the development outlined above in economic life and the accompanying continual change in the structure of employment will have to be combined with development of the capacities of the labour potential. Hand in hand with the desirability of giving optimum scope to every individual go considerations of a social and economic nature. This development, regarded against the background of that in the demand pattern, must be based on the nature and the aptitudes of the individual.

The supply pattern of the working population will have to grow, along with changes in the demand pattern, in the most balanced fashion possible. A distinction must be made here between the present and the future working population. What has to be done in the case of the present working population is, where necessary, reorientation and re-education, that is to say restoring disequilibria after the event. As regards the future working population, the education of young people should be directed right from the start towards the future development of employment, that is to say toward preventing disequilibria on the labour market.

However, it must be borne in mind here that those who today form the future working population will sooner or later be the present one in a continuing change in employment. Although to a certain extent it will be possible to make allowance from the very beginning for the progressive dynamism when planning orientation and education, and to equip the future working population with, so to speak, a set of spares upon their entry into employment, many of them will nevertheless not be able to avoid entirely some subsequent re-adjustment. A good grounding is of benefit not only to training in the occupation chosen, but also to an unexpected change of occupation. Left to itself, the adjustment of the supply and demand patterns to each other will, for a variety of reasons, stagnate, and proceed only with difficulty and considerable friction. For, because of their mobile nature, the relations are obscure for those concerned. The ties with the old ways, which often exist in any case, will be strengthened by lack of insight into new possibilities. And if there is an inclination to change to something new, the individual's own means and possibilities often prove inadequate when it comes to making that change.

There are thus numerous moments of friction, so that it is out of the question that the composition of the working population will automatically develop along with the structural changes in employment. The time lag in growth will be all the greater as the dynamism is stronger. A point envisaged as an objective will have moved on again just when it would have been reached, so that one is always lagging behind the facts.

From the demand side, allowance will have to be made for the future supply pattern, for which insight into the structural development of the working population in both a quantitative and a qualitative respect is necessary. Here too, lack of insight may lead to discrepancies between supply and demand.

On the one hand, all this could lead to people being thrown out of employment or to inadequate utilisation of human abilities, and thus to a reduction of the security of existence of those concerned, with all its social and moral consequences. On the other hand, through the lack of skilled manpower the growth of the economy would be checked, which would mean that the growth of prosperity would be stunted.

Whilst the problems of adjustment exceed the abilities of the individual, the same applies to the various groups in business. Their view of development is limited even for their own field, and as a result of the varied involvement with the overall picture, inadequate.

It will therefore be clear that there is a task here for the central Government, which will have to be equipped with legal powers to keep the moments of friction within narrow limits, in close co-operation with business. This is a matter both of increasing insight into the labour market by an active information policy, and of fostering mutual adjustment directly or indirectly by special activities to that end.

The postwar social and economic policy of the Netherlands Government is based on five primary objectives. In particular, Government policy has been directed towards a gradual growth of the national product, full employment, a stable price-level, a balance of payments in equilibrium, and a reasonable distribution of income.

The Manpower Act has a dual purpose. On the one hand it makes available and regulates the use of instruments aimed at adapting the working population to employment, thus fostering as much as possible the objective of full employment. On the other hand it is meant to protect the interests of the individual in obtaining employment. This will also benefit economic growth, whilst at the same time it may help to achieve the objective regarding the distribution of income. By means of manpower policy, the labour potential will have to be geared as effectively as possible to the demand for labour. This requires not only a quantitative approach but also the best possible qualitative realisation. It is definitely not enough to have sufficient jobs for the available amount of labour ; in addition the best possible qualitative equilibrium of supply and demand should be achieved. Only if the right man is put to work in the right place can the objectives of full employment and optimum growth be achieved. Besides this, it is important for the individual that feelings of frustration and failure, which can also occur even if one is employed, can be avoided by the right qualitative approach.

It is desirable to recognise in good time structural changes in the size, make-up and distribution of employment and to attune the labour potential as effectively as possible to the demand. In the postwar years in particular it has become clear that major structural changes may occur. Notably the progressive integration at a supra-national European level and the rapid development of technology and science, demand firm action from manpower policy.

In connection with possible fluctuations in employment resulting from the economic situation, instruments will have to be available which can enable this policy to make corrections where required and to bring about the necessary adjustment in the smoothest possible way.

If the objectives of manpower policy described above are to be achieved, it will be necessary to have available short-term and long-term forecasts of social and economic development. (The possibility of putting this into practice need not form a subject of legislation in the manpower policy field.) It is pleasing to see that both nationally and internationally there is a noticeable tendency to devote more attention to this matter, notably the work of the Committee for Medium-Term Economic Policies within the frame-work of the European Economic Community.

On the strength of the best possible forecasts and of the availability of efficient machinery, it will be possible to conduct manpower policy effectively, in the interest of the realisation of the objectives of both Government policy and the individual.

Manpower policy in this context could be taken to mean all the activities and measures directed towards adapting the working population to existing or future employment.

In order to be able to achieve the objective described above, the following policy instruments will have to be available :

1. the placement of labour in all its forms ;
2. training, retraining and further training of unemployed and employed members of the working population, in cases where this has not been regulated in some other way and where it is considered necessary in view of the future jobs of these people ;
3. occupational counselling and vocational guidance in all their facets on behalf of the whole population ;

4. supplementary employment, where employment is not available during a period of unemployment ;
5. powers regarding collaboration with overseas territories of the Kingdom in the recruitment, guidance and employment of their subjects in the Netherlands ;
6. powers regarding the recruitment, guidance and employment of foreign workers in the Netherlands ;
7. powers regarding international collaboration on manpower policy ;
8. powers in the field of appointment and dismissal in certain circumstances, insofar as this may be considered necessary from the point of view of manpower policy ;
9. powers to ensure that certain categories (disabled persons, etc.) have a suitable share in overall employment and receive special aid in finding employment ;
10. a say in the reduction of working-hours as regards aspects of manpower policy ;
11. a say in or consultation on all Government measures which have a short or long-term influence on manpower policy in branches of industry or regions (industrialisation policy) ;
12. regulations and powers regarding collaboration between the authorities, business, social organisations and local authorities in the field of manpower policy ;
13. ensuring the rights of the individual when helping to find him employment (e.g. no discrimination on grounds of race, faith, etc.) ;
14. improving the possibilities of effective supervision by the police and the judiciary of compliance with statutory regulations.

It can be seen that some of the policy instruments listed above (2 and 3) must be available to the whole working population — i e. both wage-earning and self-employed — whereas others (4, 6, 8 and 10) can be used exclusively for the wage-earning working population. With regard to a third category of instruments (1, 5, 7, 9, 12 and 13) it might be said that, though these will be principally used on behalf of the wage-earning working population, it is not in theory impossible that they may be utilised for the self-employed working population, with the proviso that such use will be directed solely toward the protection of certain vulnerable groups.

The powers of current legislation are contained in the following statutory enactments :

Placement of Labour Act 1930 ;
Order of 17th July, 1944 (E51) ;
Extraordinary Labour Relations Decree 1945 ;
Placement of Disabled Workers Act 1947 ;
Manpower Organisation Order 1954 ;
Vocational Guidance Council Act 1963 ;
Foreigner's Work Permit Act 1964.

In these statutory enactments other authorities besides the Minister are sometimes mentioned, such as (the Director-General of) the National Employment Service and (the Directors of) the Regional Employment Offices and the Branch Offices.

Furthermore, with a view to collaboration with business, rules are laid down regarding consultation with advisory bodies. In addition to the legislation which is immediately directed towards manpower, there are those statutory enactments which, although primarily aimed at interests other than those of employment, nevertheless have something in common with the latter, for instance in the fields of social insurance, education and physical planning.

The political emphasis of the new Act must, of course, be on the provisions which are of immediate service to the objectives of manpower policy. A prerequisite here is an unambiguous definition of the necessary powers. The question also arises of whether and to what extent the Government service which is to perform a function in the field of manpower policy must be stated in the Act, as is the case at present. This question cannot be answered until a clear insight has been obtained into the powers required for this policy. In principle, the Minister should be responsible for the whole of the implementation of the Act by Government services, but it is conceivable that, for certain duties, on the Minister's responsibility, a Service might acquire certain powers to be defined by law.

If necessary consideration could also be given to separate mention in the Act of the Government Service, to guarantee correct implementation of that Act.

Furthermore, when the Act is being prepared, attention will have to be paid to the relationship and connection between the measures immediately directed towards manpower and those measures which have a more indirect influence on it. Since the measures come into being within the central Government, it must be considered whether, besides the co-ordination such as occurs in the Council of Ministers, there should be provision for a say in the policy of other Ministries from the point of view of manpower policy. Methods must also be studied for achieving good reciprocal co-operation between the central Government and business, social organisations and local authorities as regards manpower policy. The ultimate responsibility of the Government for manpower policy must be laid down, with the provisio that the powers to be granted for that purpose must be exercised as much as possible in consultation with business, etc. Of course the Act should not in principle infringe on the individual's freedom of choice of job. Rules are needed which on the one hand must respect this freedom of employers and employees, but on the other hand must also foster the possibilities of placing economically weaker categories in particular.

These rules must be such that compliance with them can reasonably be demanded ; they must possess the necessary flexibility and may not exclude the ultimate responsibility of the individual for the choice of his job. Naturally the possibility of granting exemption from the rules or allowing an appeal against a decision in certain cases must also be investigated. Working out the rules in detail should be left, where possible, to general administrative orders or ministerial regulations.

Annex 15

REGIONAL INDUSTRIALISATION POLICY IN THE NETHERLANDS

The aims of regional industrialisation policy and the methods of implementation have changed considerably in the fifteen years of their existence.

In order to understand the following information it is necessary to have some statistical data.

The Netherlands is a small country with a total habitable area of 33,000 square kilometres. As there are over 12 million inhabitants, the average density of population is about 360 per sq. km. In the three western provinces of North Holland, South Holland and Utrecht this figure is even higher (765 per sq. km.), but the highest density (2,600 per sq. km.) is found in what we call "Randstad", a ring-shaped conurbation of towns from Utrecht through Amsterdam, Haarlem, Leiden, The Hague, Delft and Rotterdam to Dordrecht. These towns are the main centre of economic life.

Before the war, in 1938, the population was 8,700,000. In 1966 there are more than 12 million inhabitants, an increase of more than 3.3 million in 28 years. The Netherlands has the highest birth-rate of any Western European country, nearly 21 per 1,000 inhabitants ; the highest life expectation, about 71 for men, and about 75 for women. Finally the Netherlands has the lowest infant mortality rate in the world, between 13 and 14 per 1,000. There are other countries in Europe where this figure is two or even three times as high.

In May 1940 the disasters of the second World War hit the country. Heavy damage was done to the harbour installations in the port of Rotterdam. Many towns, especially in the southern and eastern parts of the country were badly damaged during hostilities and many thousands of houses and buildings were destroyed. The railway system was completely dislocated. After the war the period of reconstruction began ; it was a period of great activity, though it was striking that unemployment was still very high in some parts of the country.

Thus, with a national unemployment rate of 2 per cent of the male working population, the unemployment rate for the south-eastern corner of Drente was between 20 and 25. In eastern Groningen and eastern Friesland the percentage varied between 10 and 15. Similar figures were found for western Friesland and eastern Brabant. The Ministry of Economic Affairs, together with the municipality of Emmen, investigated the causes of unemployment in south-eastern Drente. It turned out that this was not a cyclical, but rather a structural problem. The people in that region had always earned their living by peat-digging. The decreasing demand for this kind of fuel, together with the diminishing production area, were the main reasons for the unemployment. In the years 1949 and 1950 the first development scheme, that for south-eastern Drente, was set up by the central Government. This induced several other provinces to make a study of these problems and it was found that there were other regions in which unemployment was of a structural nature.

On the strength of the results of these inquiries the Government decided to designate eight more development areas. It was assumed that the structural unemployment problem could not be solved only by migration to other parts of the country and that it would be possible, by rather simple means, to promote the industrial development of those areas. A scheme to improve the infrastructure of all these areas was devised, which included the construction or improvement of a number of State, provincial and municipal roads and waterways. The investments required totalled about 70 million guilders, of which 56 million guilders was provided by the central Government and the rest, i.e. 20 per cent of total investments, by the local authorities. A scheme was also introduced to attract new industrial activities to the places designated as "industrialisation-centres" in the above areas. A grant was paid to an industrialist if he employed one worker from the labour reserve per 50 square metres of new industrial building. Thus a clear relation was established with the problem of structural unemployment. Along with this incentive scheme a migration scheme was put into operation, under which a contribution was made towards the cost of moving unemployed workers from these areas to other parts of the country. This meant that migration had come to be accepted as a means of solving the problem of structural unemployment. This system was in force between 1950 and 1958, when 16,000 new industrial jobs were created in the development areas.

In the meantime the Government has been increasingly preoccupied with the problem of concentration, particularly in the West of the country. As a result of the uneven distribution of economic activities over the country, the density of population varies greatly. Owing to the concentration of industry, commerce and other economic activities in the three western provinces, nearly fifty per cent of the whole population has been crowded onto 21 per cent of the habitable surface of the Netherlands.

This concentration causes all sorts of interests to clash. One should only think of the horticultural areas and the expansion of the large city, the nuisance of air pollution, the problem of water supply, the threat to recreation grounds and the difficulties connected with traffic.

It is clear that, with the growing unity of Western Europe, the importance of western Holland to the West-European economy will become even greater. The area has a function not only in regard to the Netherlands, but also to the whole hinterland.

Since the surface area of western Holland is comparatively small and the facilities for industrial establishment are centred in and around the big ports, the question arises which is the best way to utilise the available space in performing this international task. There is already a lack of sites for industry and commerce along open navigable water. But even those which do not need such facilities cannot easily find suitable sites in the West of the country. Moreover, the labour market is continuously overstrained. It is therefore necessary for those industries which, economically, are not strictly tied to the West to settle in other parts of the country, and in recent years there has been a natural tendency towards deconcentration.

The policy to promote an even distribution of industry is justified not only by the problem of the West, but also by the employment difficulties of the labour surplus areas. In addition, in some other parts of the country the expected increase in the next few years in the supply of young workers will be considerable. Taking the working population of the Netherlands at 1st January, 1947, as 100, it is calculated that through natural increase it will be 137 by 1st January, 1970. In some parts, such as eastern Brabant and West Friesland the relative increase of the working population during the same period will be twice as great. It is not known whether the expansion of employment in such areas will keep pace with the growth of the working population. If not, there will either be structural unemployment or the population will have to resort to migration. This, too, is a matter of concern to the Government.

To gauge the size of the future employment problem in the various parts of the country, an investigation was made in 1957 in order to establish a forecast of the labour supply during the next five years, and of the available employment during that period. This was used as a basis for designating the problem areas.

An area was designated as a problem area :

1. if it had an average yearly emigration surplus to other parts of the country of 6 per thousand, or more, in the period 1950 to 1955 ;
2. if a shortage in employment of 3 per cent of the male working population was to be expected at the end of the forecasting period (1957-1961).

If the problem areas are to be industrialised, this will have to be done despite the attraction exercised by the employment centres elsewhere in the country. The aim should be to create in the problem areas themselves similar poles of attraction, which may in time develop further of their own accord, without any special aid.

This means that the special measures needed to start the development should, in principle, be temporary and should not be applied any longer than is absolutely necessary to make up for the deficiencies that still exist. This is particularly true of the direct inducements held out to industry.

What does the programme for the problem areas involve ?

First of all the Government started from a five-year period (1960 to 1964). The central issue is the improvement of the infrastructure, i.e. a coherent system of communications by land and by water. A sum of one hundred and ninety million guilders was made available for this during the five-year period. Sixty millions were to be used to speed up some Government projects (in particular the State highroads). A hundred and thirty million guilders went in subsidies to municipalities and provinces to enable them to carry out all kinds of projects of importance for industrial development, which could not have been realised without Government help.

Funds are also available to encourage industry. Up to 1st January, 1966 about 80 million guilders were used for this purpose. The former provision under which grants were made according to the number of workers recruited from the local labour reserve, no longer applies because the policy is no longer aimed at solving a structural unemployment problem, but primarily at spreading employment.

There is a similar change in the new migration scheme. Removal-expenses of industrial workers are now subsidised only for removal within and to the problem areas, whereas previously they were given to heads of families who moved from former development areas to non-development areas.

Out of rather more than 30,000 State-subsidised workers' houses (commonly known as Housing Act Houses), 2,000 have been set aside for the initial needs of enterprises.

Thirteen million guilders have been appropriated to subsidise various investment projects in the social and cultural spheres, such as cultural centres, village centres etc.

Finally, there are many more statutory provisions which are administered with priority in the problem areas. A clear example is provided by post-primary education (secondary education, elementary technical education, etc.). Although, comparatively speaking, the northern provinces were not badly off in this respect, post-primary schools in the North of the country have been given special attention in the last few decades. The results are spectacular. About 30 per cent of all the children in the North who left the primary school between 1947 and 1950 enrolled at continuation schools ; at present this percentage is no less than 75 to 85.

All the measures are applied in accordance with the principle of concentration already referred to. In precise terms this means : national spreading of industrialisation by regional concentration, which means that a number of places are to be selected as suitable for "development nuclei".

This selection is the most difficult part of the policy. After long study it appeared impossible to lay down objective standards for it. It is extremely difficult to establish really reliable factors on which to decide that one place is eligible and another is not. Therefore little else was left but to go by common sense. As in the case of the preliminary investigation, here, too, it was felt that the regional authorities were better judges of such matters than the central Government. Although one realised the danger of giving regional interests too much say in the matter, consultations were opened with the provincial governments. Whereas the Government based its proposals on the principle of regional concentration for the sake of industrial dispersion, the provinces thought rather in terms of regional development, basing themselves on typically regional problems. Whereas the Government had originally thought that only 15 to 20 places should be assisted, the recommendations of the provinces made a veritable galaxy of development nuclei on the map. Eventually, by agreement between the Minister of Economic Affairs and the provincial governments, the number was reduced to 44. This is an example of how the central Government and the local authorities work together. Such co-operation is found everywhere in the conduct of this policy as, for example, in drawing up the infrastructure programme.

Where are the projects to be found for this programme, which extends over a period of five years ? The Minister of Economic Affairs has requested the provinces to submit the necessary proposals in conjunction with the municipalities. A small committee of experts, the Committee on the Industrial Development of Problem Areas, has been instituted to judge these proposals on their merits in regard to the industrial development. Several Ministries are represented on it. This Committee gives advice only after consulting the relevant provincial governments about the projects to be selected, the order of priority, the time of execution and similar problems. If the Committee does not reach agreement with a provincial government, the matter is referred to the Minister. This Committee is also an example of co-ordination among the various Ministries. A similar system has been adopted to select the works to be subsidised in the social and cultural sectors. Here, too, proposals are made by the provinces, and a committee of expert senior officers advises the Ministers concerned (The Interdepartmental Committee on Problem Areas). In this case there are also advisory committees at provincial level, which are mainly composed of socially prominent people.

For the application of the subsidy regulations known as Promotion of Industrialisation of Development Nuclei, the manufacturer himself lodges an application for a subsidy under the regulations. He does not apply direct to the Minister, but through the municipality concerned, which forwards the application together with its advice.

There are three groups of activities and measures to promote the industrialisation of the problem areas.

Firstly, those which are aimed at improving the general conditions for industrial establishment, and are co-ordinated in the Committee on the Industrial Development of Problem Areas.

Secondly, those which are aimed at improving residential conditions, and are co-ordinated in the Interdepartmental Committee on Problem Areas.

Thirdly, the actual stimulation of industrial development, which is the task of the Ministry of Economic Affairs.

Government policy is also aligned as far as possible with the policies pursued in the problem areas, for example, the land re-allotment policy and the policy regarding supplementary works, which are aimed simultaneously at combating unemployment and at development.

Re-allotment is designed to raise the efficiency of agricultural production by enlarging the area of farms, so as to promote rationalisation and mechanisation. This causes a substantial reduction in the number of agricultural workers needed to maintain production.

It means that the chief problem presented by the problem areas is the exodus of labour ; rural population figures are on the decline, the urban population remains constant or shows a slight increase. Now the regional policy aims at deflecting this exodus which is historically directed to other parts of the country, and focussing it on the development nuclei within the problem areas.

A much harder problem to tackle is the future of those who are expelled from the agricultural sector at short notice, for these are in general the older ones. They cannot adapt themselves to the changed circumstances, since the demand nowadays is more and more for agricultural workers who are also well grounded in technical knowledge.

Socially in particular, this is a very serious problem, which cannot be solved through industrialisation. However, most of these workers can very well be employed in the construction of roads, canals and industrial sites. They can thus be usefully enlisted in the labour force. In practice this is achieved by very close co-operation between the Ministry of Social Affairs and Public Health and the Ministry of Economic Affairs. The former has the disposal of funds to combat cyclical unemployment, and to carry out all kinds of public works, on the condition that this is done with the aid of unemployed labour. The infrastructure scheme devised by the Ministry of Economic Affairs for the industrialisation of the problem areas is now being subordinated as far as possible to the policy of the Minister of Social Affairs.

A few more figures on achievements since the introduction of the dispersal policy in April 1959. Up to 1st January, 1966, 600 applications for a subsidy have been granted, which means 42,000 new jobs in the problem areas in the next few years.

The results of the government's policy have so far been satisfactory. Industrial development in the various problem areas has got under way, so that some improvement in the distribution of industry is already noticeable.

Admittedly the prolonged boom of recent years, which gave rise to an overstrained and tight labour-market in the West, has made a substantial contribution towards these results, but the present policy has undeniably had its effects as well.

For one thing, the excessive flows of migrants out of the various underdeveloped areas, notably those in the South and South-East, are visibly diminishing. The same applies to unemployment, although in some areas this is still above the national average. Quite a number of firms have established themselves in the developing areas in the last few years and a good many job opportunities have been created.

Since January 1st, 1965, regional policy has been adjusted to some extent, which makes it still more effective in ensuring a better distribution of industrial activities. Combating structural unemployment no longer ranks first; and the title of "problem areas" has been replaced by that of "stimulation areas". The main aim appears from the new name : "Industry-spreading policy."

To that end 47 development nuclei have been designated in the stimulation areas, 20 primary and 27 secondary.

Primary development nuclei are the bigger ones to which the regional development policy is directed in the first place. Generally speaking they are places which, because of their geographical situation and their function as a regional centre, are capable of development in a relatively short period, in such a way that they can act as a "draught-horse" to the economic development of a larger area. With their structure, their well equipped public services and their regional functions they can grow into places of a certain status, suitable for further industrialisation.

The secondary development nuclei are those places which had already been designated as development centres before 1965, but whose regional function is less important than that of the primary nuclei.

Encouragement measures are in force for the primary as well as for the secondary nuclei, but they will expire for the latter in 1968.

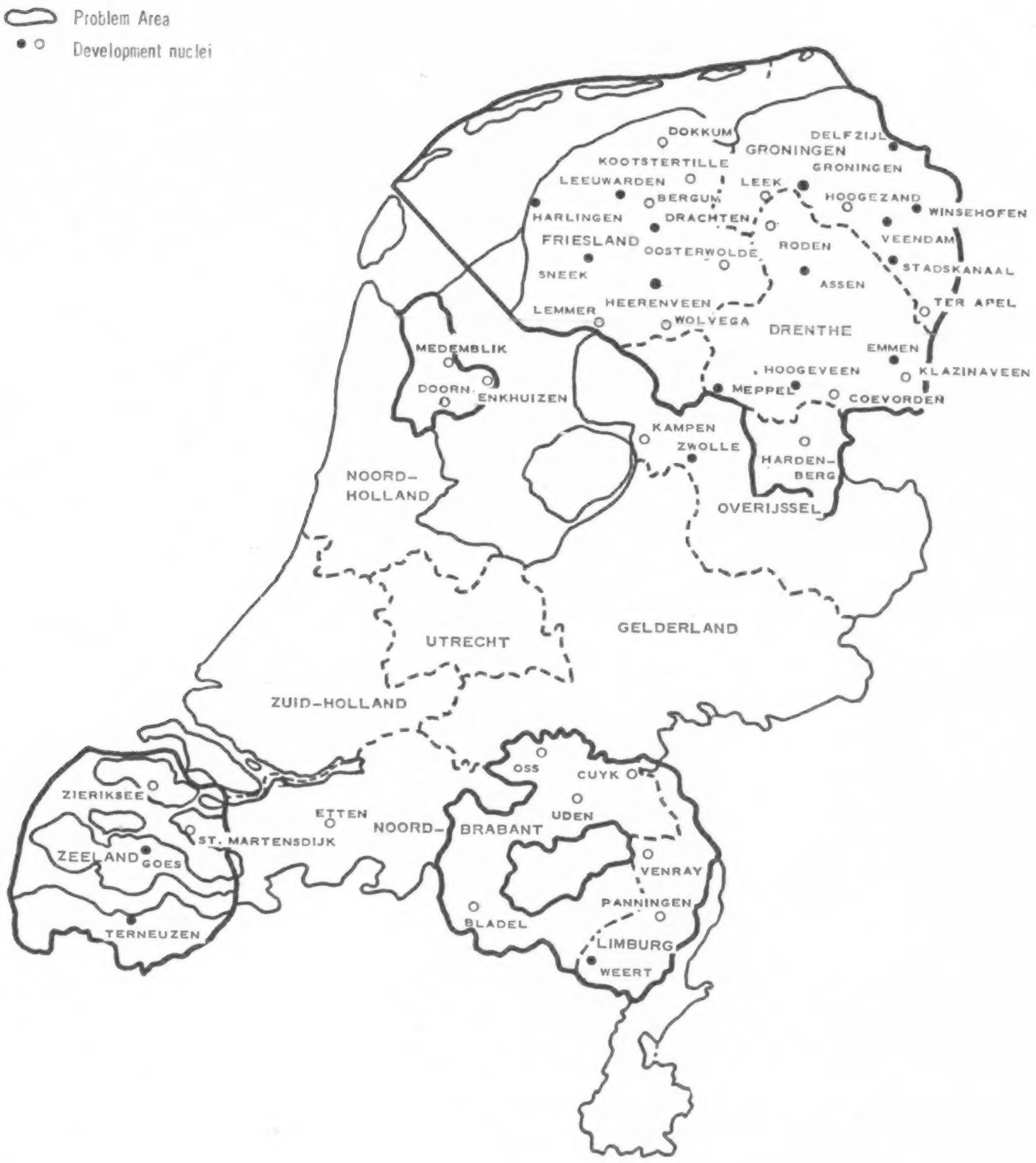
When an entrepreneur establishes an industrial plant in one of the nuclei he only has to pay half the price of the industrial site (the price reduction regulation) and a grant is made towards the building costs, depending on the floor space of the building (the subsidy regulation).

A sum of 165 million guilders has been made available for the years 1965-1968 for the improvement of the infrastructure in the development areas.

By furthering the growth of industry outside the Western area a start has been made with counterbalancing growth in the three western provinces. The relative advantage which the West holds over the other areas in the field of industry is no longer increasing. It has, on the contrary, declined a little : the West's share in the total industrial labour force decreased from 44 per cent in 1950 to 39 per cent in 1964. The share of the East remained almost constant while those of the North and South increased from 7 to 9 per cent, and from 28 to 31 per cent respectively.

These rather favourable results have not however led the Dutch government to abandon its concern with regional industrialisation. In the next few decades the problem of the congested West will become so acute that, for the time being, it is not possible to desist from promoting a better distribution of people and employment, especially as the industrial development that has been set in motion in the problem areas can still not be considered as an autonomous self-inductive process of industrialisation.

PROBLEM AREAS AND DEVELOPMENT NUCLEI


Problem Area
● ○ Development nuclei
DOKKUM
DELFZIJL
GRONINGEN
KOOTSTERTILLE
GRONINGEN
LEEUWARDEN
LEEK
BERGUM
HOOGEZAND
WINSEHOFEN
HARLINGEN
DRACHTEN
FRIESLAND
RODEN
VEENDAM
OOSTERWOLDE
SNEEK
ASSEN
STADSKANAAL
LEMMER
HEERENVEEN
TER APEL
WOLVEGA
DRENTHE
MEDEMBLIK
EMMEN
HOOGEVEEN
KLAZINAVEEN
DOORN
ENKHUIZEN
MEPPEL
COEVORDEN
KAMPEN
ZWOLLE
HARDENBERG
NOORD-HOLLAND
OVERIJSSEL
UTRECHT
GELDERLAND
ZUID-HOLLAND
OSS
CUYK
ZIERIKSEE
UDEN
ETTEN
NOORD-BRABANT
ST. MARTENSDIJK
ZEELAND
GOES
VENRAY
PANNINGEN
BLADEL
TERNEUZEN
LIMBURG
WEERT

III

REPORT BY THE EXAMINERS

INTRODUCTION

A country's manpower policies and practices should contribute to the realisation of the goals of economic growth, price stability and rising living standards. Thus the services and provisions organised under manpower programmes should assist the active population and the managements of enterprises in their adjustment to the changing demand for and supply of manpower for the industrial system. With these goals in mind, the Examiners reviewed current manpower programmes and practices, and the administrative organisations concerned in the Netherlands, from the point of view of their effectiveness in fulfilling these tasks.

The Netherlands has experienced and is witnessing a veritable transformation of its economic structure into that of a modern industrial system. These changes have been promoted by a national economic and industrialisation policy, and have been facilitated by governmental programmes for the rationalisation of certain sectors, notably agriculture, mining, retail trade and small crafts. The new economic structure has created new demands on management, and the more advanced industrial system has resulted in a modification of job patterns. Economic expansion has brought considerable growth, an increase in the active population, rising living standards and a stringency in the labour market.

At the moment, the Netherlands Manpower Authorities must respond to the urgent call for the reallocation of manpower resources in order to satisfy the needs of the more productive expanding employments, and at the same time try to reduce the tension in the labour market. The rationalisation programmes noted above call for a further reallocation of labour. This is of great significance for our Examination. The existing manpower agencies must, therefore, add a new dimension to their traditional responsibility of mediating between the demand for and supply of labour, namely the active promotion of manpower mobility which is necessary to effect the requisite reallocation of labour. The programmes, services and aids which were conceived for an economy of labour surplus and the promotion of full employment have to be supplemented by the facilities needed in an economy characterised by labour scarcity. This type of programme is now in operation for the recruitment of building workers.

The tight labour market has led to the search for new sources of labour, and, to this end, some disadvantaged groups are assisted in re-establishing their position in the labour market and foreign labour has been recruited. However, women, particularly those with family responsibilities, constitute the major untapped human resource : their recruitment would be facilitated if greater assistance were provided for them to carry their multiple responsibilities with less strain and if current restraints were removed on public initiatives to create these facilities and to advance the necessary work arrangements.

The Netherlands has developed a work-oriented educational system which combines provisions for school and work-shop training for those entering production and technical employments. The growing sophistication of industry and urban life necessitates a more prolonged general education, and the present adult retraining system provides a useful base for an expanded programme of retraining of those made redundant or threatened with redundancy as a result of technological change, and for older persons, particularly women, re-entering the labour force.

The social adjustment and development programme includes many significant and successful measures for the location and assistance of persons who need advice and rehabilitative aids in order to realise their full productive potential. Innovations such as the "special employment counsellors" and the systems of co-ordination of welfare agencies will further contribute to the effectiveness of these services.

An active labour market policy could be extremely useful in helping market forces and pressures to effect the changes in labour allocation; it could also assist employers and unions to recognise and respond more rapidly to the needs of the times through their personnel and industrial policies. One of the tasks of the public manpower agencies is to help to overcome the traditional sluggishness of the labour market. When inflationary pressures exist, the Manpower Authorities have the responsibility of estimating the effectiveness of general market pressures upon the allocation of the labour force, as well as of appraising the ability of additional labour market tools and programmes to relieve this source of tension. They should also be prepared to advise on the appropriate combination of manpower and other economic policies needed to realise the overall economic and social objectives, and to evaluate the labour market implications of general restrictive economic policies.

The Netherlands programmes for supplementary employment policy, regional development and stabilisation of seasonal demand in construction are worthy of general study by Member countries.

While the Employment Service is highly developed, it should use this present occasion to define the areas where deeper and broader penetration of its services would be valuable. In this context, an employer service aimed at interesting more management groups in using the Service and at improving the quality of placements is particularly important. Regular and frequent local and national labour market reports should be published. An advance warning system is considered essential, not only for the purposes of labour market policy but also in the interests of both employees and management. A formal inter-office clearance report on labour vacancies would promote the upgrading of personnel. Reports on economic prospects should be added to occupational descriptions. A special system of adult employment counselling is needed to supplement the present programme, which is essentially conceived for the educational and vocational counselling of youth and the disadvantaged groups. The initiative taken by the Service in promoting the seasonal stabilisation programme for farm labour should become a prototype for similar activities in other fields, while guidelines for labour mobility and turnover could do much to aid local employment office staff in evaluating labour market performance in their areas.

Where the provisions of the present social security system inhibit labour mobility, they should be re-examined.

Enterprise policies and practices could be brought into harmony with the national active manpower policies through mutually agreed guides and principles which would set a model for Netherlands personnel and industrial relations programmes.

The effective implementation of an active manpower programme would be considerably advanced if there were a formal governmental unit within the Ministry of Social Affairs and Public Health charged with the continuing evaluation and periodic reporting to both the government and the public of manpower development, with the evaluation of the effectiveness of present measures and programmes, and with the definition of new requirements to attain the goals of an active manpower policy. This unit should also be charged with the promotion of co-ordination between the manpower agencies and other ministries and should organise an Interministerial Committee on Manpower Policy.

A permanent advisory group attached to the Ministry should be set up to deal with broad manpower issues rather than with the administration of any one segment of the manpower programme.

A tripartite body, representative of management, trade unions and the national manpower authorities and attached to the Ministry of Social Affairs and Public Health, could play an effective role in developing guides for personnel and industrial relations policies affecting manpower. Such a body could assist in making these policies complementary and supplementary to those followed by the public authorities and agencies.

The Manpower Authorities need information in order to develop their policies, define the work to be done and test the effectiveness of the individual programmes in the light of general objectives. A statistical system, built on central reference series providing for continuous historical and current labour market data, is vital for the authorities to operate successfully. A full review should be made of the present programmes so that an organised plan and schedule for their improvement and integration can be developed. Studies should be initiated on the organisation of an effective, practical method of periodic household surveys of the labour force, as this is a fundamental necessity for the conduct of the active manpower programme. Research is essential for more adequate knowledge of the labour market and careful formulation of policy. A specific administrative official should be charged with developing and supervising these research programmes under the direction of a senior policy-maker. A regularised procedure for the continuous evaluation of current operating systems should be set up in the central manpower organisation so that tests of the effectiveness and relative benefits at different periods of time can be made.

A schedule of priorities for introducing both long-term and short-term proposals has not been developed by the Examiners. Such a schedule could only be developed after closer study of the available resources and general priorities.

The Examiners wish to express their appreciation for the courtesy, assistance and whole-hearted co-operation extended to them on their visits to the Netherlands by the Ministry of Social Affairs and Public Health and its officials, as well as the other Ministries whose assistance was sought on many issues. We are also indebted to the spokesmen for management and trade unions who helped us to understand their views and related their experience, and to the many individuals who sharpened our understanding in conferences and through correspondence.

We hope that this report may contribute to the advancement of the well-being of the people of the Netherlands — a country which has initiated so many important new programmes in this field.

The undersigned Examiners are deeply appreciative of the participation of Frank Pickford of the British Ministry of Labour in the examination. He served as chairman of our meetings in the Netherlands and, through his personal visits and reports, helped us in the development of our conclusions. We regret that his illness prevented him from sharing in the final preparation of the report, which owes so much to his thinking.

Solomon **Barkin.**
Bertil **Olsson.**

EXAMINERS' CONCLUSIONS

Chapter I

THE CURRENT SET OF PRIORITIES

The evolution of the Netherlands into an industrial nation with a high growth rate, increasing manpower productivity, rising standards of living, full employment, and a tight labour market, should lead to a shift in emphasis in domestic manpower and social policy.

The present setting calls for a new set of priorities but not the abandonment of existing programmes, machinery and tools. The latter should be maintained, but the resources and energies devoted to them should be reduced and in part shifted to those demanding more immediate attention.

The major priorities at present stand out clearly. Foremost is the recruitment of the required labour force.

Equally important is the need to upgrade the quality of the labour force, as the new industrial system and urban society make such active demands for greater intellectual preparation of broad and higher technical and social knowledge.

Third, the organisation of the labour market must aid actively both employees and employers to effect these adjustments or relocation to secure optimum productive employment of human resources.

Fourth, economic protection for the employee and his dependants during job shifts must be adequate to sustain his human and potential economic quality; the facilities for such adjustment, over and above occupational retraining, should also be aimed at constant upgrading or, at a minimum, maintenance of work capacity. Finally, in a society where economic growth, full employment, and rising living standards have such high priorities, the government has not only to continue to promote policies which best achieve these economic ends but also to provide the opportunities for employment of those who remain unabsorbed and unplaced in the regular labour market.

The shift in priorities in the active manpower policy is, therefore, from the care of the unemployed and prevention of unemployment, to assuring competent and adequate manpower resources for the economy, particularly for the growth sectors, so that the nation's economic and social goals may be more fully realised.

Chapter II

RECRUITMENT OF LABOUR FOR THE ECONOMY

1. AGRICULTURAL LABOUR RESERVE

The present programmes operated by the Ministries of Agriculture and Social Welfare, in which the Ministry of Social Affairs provides an essential service through vocational guidance and adult retraining and placement, are likely to provide an adequate framework for the further recruitment of people in this group.

2. RETAIL AND SMALL CRAFT INDUSTRY

As noted, a new programme to increase the efficiency of retail operations is to be inaugurated this year. The experience with the new programme should be carefully watched, both in the interest of promoting greater efficiency in the retail industry and among small shops, and of facilitating the out-migration to other employment of those who cannot successfully operate these enterprises. Greater liberalisation of the scheme would probably be of interest to both the individuals and the national economy. It is unlikely, because of age and occupational experience, that many of these persons will be easily recruited for dependent employment, therefore a more deliberate programme of general and vocational guidance should, the Examiners *urge,* be associated with the payment of termination grants to secure the maximum number of persons for new employments.

3. WOMEN

The measures which have to be considered in the expansion of the number of women willing to work and of jobs for them, would include the following practical steps ;

1. promotion, by education of the general community, of the acceptability of work by married women when they desire it ;
2. arrangement of part-time employment schedules where necessary ;
3. removal of occupational barriers and prejudices against the employment of women ; improved, attractive surroundings ; training in the principles of the successful employment of women ;
4. the rearrangement of job duties to allow older women to be recruited as aides in occupations where certificates of prolonged schooling are now required, for instance, nurses, teachers and home-care ;
5. promotion of the appropriate operating hours for community services to allow working women to be easily served ;
6. children's centres for supervised study and recreation both before and after school, school lunches ;
7. arrangement of appropriate transportation schedules to reduce loss of time in travel ; and

8. the appropriate improvement of schooling for girls to broaden their preparation for society and occupational activities.

The implementation of such programmes calls for great initiative by public authorities to win acceptance of the principles favouring the employment of married women and their practical application. Progress will no doubt be slow, but the rate of penetration would probably be cumulative and accelerate as experience is gained. The Examiners *recognise* that, ultimately, the decision concerning the desirability of taking such jobs must be made by the individual woman and her family.

Adequate preparation of girls for active participation in the work community, the Examiners *underscore*, is essential for a long-term improvement in women's willingness to take up employment. No doubt their present lack of skills acts as a deterrent to such participation. The curriculum in the primary and secondary schools should include more material about the work world. Vocational training for skilled occupations is particularly important to increase the employment opportunities for female workers in such occupations. Adult retraining programmes should also be re-examined to allow for the inclusion of women and certainly of older women entering the labour market.

The Examiners *recognise* that the government itself is fully alert to the issues and they are *convinced* that the further expansion of the employment of women would do much to relieve tension in the labour market. More governmental initiatives are essential to assure women with family responsibilities a real opportunity to choose employment if they desire it.

4. FOREIGN LABOUR

The Examiners *believe* that the great need in the Netherlands is, therefore, to undertake a thorough examination of these long-term policy considerations. It can no longer be assumed that continued increases in foreign workers merely supply a solution to temporary bottlenecks ; the influx of foreign labour must, to a greater extent, be considered in terms of the political, human and economic obligations to the immigrants and the emigration countries.

5. DISADVANTAGED GROUPS

It would therefore appear to the Examiners that an action programme under governmental sponsorship to implement the conclusions of the OECD Manpower and Social Affairs Committee on the "Employment of Older Workers" would be appropriate.

6. SHIFT FROM LOW PRODUCTIVITY EMPLOYMENTS

The Examiners *believe* that the Employment Service can support the continued expansion of the highly productive growth sectors by advising job seekers of the facts about low-productivity employments in the course of their occupational guidance.

7. EMIGRATION MOVEMENTS

With the decline in the volume of emigration and the likelihood that it will not rise in the future in view of the growing job opportunities within the country, the Examiners *believe* that payments of subsidies to facilitate these movements might properly by dropped. The maintenance of a system of contacts with emigrants in foreign countries is sound national policy but active encouragement through subsidies appears questionable. The Examiners *suggest* a more flexible arrangement whereby the subsidy programme is re-established in times of labour surplus and dropped in periods of labour stringency. The movements in the latter case will then be determined completely by individual choice rather than by the possibility of obtaining a specific subsidy.

ASSESSMENT BY THE EXAMINERS

An active manpower policy envisages careful analysis of the human resources and their productive utilisation by the national Manpower Authorities. During periods of full employment and labour market stringency it has to appraise the adequacy of the numbers and the deployment of resources. A number of economic policies and developments are accelerating the exodus of people from less productive sectors and divisions. But the Manpower Authorities have to organise studies for and consider the whole gamut of policies conducive to the more productive utilisation of human resources. They have hitherto primarily responded to general economic policies and ad hoc programmes to care for labour displacements. As a minimum the authorities should anticipate these developments with plans such as are being developed for the miners in the Limburg area, and consider taking more initiative in other declining or less productive sectors and divisions.

In the recruitment of new labour resources, the Netherlands policies and programmes for the fullest placement of the disadvantaged rank among the most active and developed. More concerted programmes are necessary for encouragement of the employment of older workers.

The areas of further recruitment of manpower resources requiring study, careful planning and deliberate policy decisions relate to foreign labour and women, particularly those with family responsibilities. As for foreign labour, the reliance on a growing number of temporary international migrants must be called into question. The Netherlands as a receiving nation has to define more fully its responsibilities to those who wish to remain on a permanent basis and complementary obligations to the emigration countries. The latter, in the course of industrialisation, are seeking the return of more of their own citizens and ask for greater assistance from the immigration countries in training and preparation of the work force prior to their return. Reliance on foreign labour to meet temporary labour shortage is no longer in itself an adequate policy to follow.

The largest untapped domestic human resource for employment is women. The country is slowly accepting the pattern which prevails in other countries for women to participate actively in industrial life. To obtain greater participation of women, the Netherlands government would have to promote more deliberately programmes designed to assist them to carry their plural responsibilities with less strain through proper organisation of work schedules, conditions of employment and appropriate community services.

Chapter III

ASSURING THE APPROPRIATE QUALITY OF THE LABOUR FORCE

1. General Education

The Examiners *recommend* that the Manpower Authorities should study the type of education necessary to realise the goals of the Netherlands educational system respecting the work life preparation. Current information should be supplemented with studies on the educational preparation preferred for the expanding industries, particularly respecting the impact of further mechanisation and automation. Advice should be submitted to the Educational Authorities on the advance in the age for compulsory education to sixteen years and on a delay in the age of selection of students for specialised schools and technical and vocational training. To assist in achieving better preparation of youth for modern employment and occupational flexibility in adult work life, the Manpower Authorities should advise on the curriculum in such areas as knowledge of the economy and work life.

2. Technical and Vocational Education

The Examiners *note* that young people of 15 years and over are not generally in full- or part-time school and, therefore, are not enrolled in a supervised training programme. Their general education has been limited and their technical education narrow. What additional vocational preparation they get comes from enterprise training activities. The Examiners *recommend* that, in view of the lack of information, a census be made of occupational and vocational training which is not financially aided by the government, so that more precise information can be obtained about its character and quality. Thereafter, the Manpower Authorities should reach conclusions respecting the adequacy and usefulness of the technological education in these schools and work places, particularly, but not exclusively, respecting the lower technical school level, and should consider the usefulness of a governmental on-the-job training advisory service for management, to help improve training methods in enterprises.

3. Apprenticeship Training

Many issues have been raised concerning the place of apprenticeship in an educational preparation for work life. Some are being answered in the Netherlands by extending the period of general education for all young people and by providing broader cultural and technical education in schools for those embarked on practical occupations.

The first basic question is whether this increase of time for general and technical education should not be further expanded in the light of the demands of the newer industrial trends? The second question is whether the number of alternative crafts should be reduced to allow only for those which provide real possibilities for a wider range of later occupational choice? As some employers are not able to provide systematic and expert apprenticeship and vocational training, the third question is whether instruction should not be restricted to organisations capable of providing good facilities and special teaching personnel? If the craftsman is to enjoy the traditional opportunity of promotion to supervision, his education and training must prepare him for further training and advancement and for competition with graduates of higher technical schools.

The Examiners *recommend* that the Manpower Authorities should conduct studies and enquiries and should follow developments in the labour market in order to advise on the answers to the above questions.

4. Adult Retraining

The present programme can hardly provide for the retraining needs of those made redundant or threatened with redundancy in a technically changing society. The Examiners therefore *recommend* an expansion of the number and capacity of these adult training centres, an enlargement of work programmes to meet the growing needs of displaced persons, and the removal of upper age limits to serve better the hard-to-place and older worker groups, who particularly need aid, and women re-entering the labour market. Admittance tests should also be more flexible.

5. Training of Mentally and Physically Handicapped

The cost of training unemployed handicapped persons is financed by central government. This system for retraining has proved most productive and the Examiners commend this activity.

SOCIAL ADJUSTMENT AND DEVELOPMENT

1. Efflux from Agriculture

One major gap still persists; vocational training programmes in rural areas offer few occupational choices. Most of the rural population still move to unskilled work. Improvements in general, technical and vocational education are essential to the development of rural areas in order to provide greater opportunities for those who move to urban communities.

2. Foreign Workers

The special individual adjustment problems of these people have not always been given the intense attention they require. The recent enforcement of the same housing and social welfare standards for spontaneous immigrants as for officially recruited foreign labour, is an appropriate step in this field.

3. LONG-TERM UNEMPLOYED AND OTHER SPECIAL GROUPS

a) *Long-term Unemployed*

Members of this group have not in the past been systematically identified. As a result of an experimental pilot study conducted by the Employment Service in co-operation with an international OECD study of methods of dealing with this group, the conviction has grown that more systematic attention should be given to identifying and helping this group. The creation of the position of an additional special placement counsellor is being considered. Such an adviser, after identifying the person and providing guidance, would help the person define the assistance he requires to restore his optimum usefulness in the community. If the counsellor's advice is insufficient, referrals can be made to medical, social casework agencies and other special services. A job placement programme is to be developed at the appropriate time. The Examiners *commend* this initiative.

b) *Poverty Groups*

The Examiners *recommend* that the Ministry of Social Welfare should set up a procedure to identify and refer these people to appropriate services to effect the rehabilitative process.

4. MENTALLY AND PHYSICALLY HANDICAPPED

a) *Rehabilitation System*

The Examiners *believe* that a greater interest in rehabilitation by the insurance bodies administering accident and invalidity payment systems, despite the legal prescription, would be a significant contribution to the programme.

b) *Social Employment Systems*

Evaluation

The Examiners *conclude* that the present system of social employment is highly developed and productive, but re-evaluation of procedures and services is necessary to assure the maximum proportion of re-entries into the regular labour market. Explicit encouragement for such transfers should be built into the regular operations. The difficulties created by the fear of the lapse of invalidity insurance benefits need also to be dealt with. Greater emphasis must therefore be placed on the fullest restoration of work capacity.

Careful selection of management and methods of operation would be beneficial. In the selection of work projects, more attention should be given to the most urgent and most profitable ones, particularly in a period of full employment.

5. SOCIAL ORGANISATION FOR ADJUSTMENT

In the urban areas, current programmes for the co-ordination of welfare organisations have led to the creation of general case location and referral service agencies to help individuals find their way through the network of social agencies, services, laws, institutions and facilities. These agencies are helping some individuals to re-establish themselves in full economic participation.

In encouragement areas, social services are being established which serve the same purpose. The Examiners *commend* these programmes and urge that periodic reports be submitted on their contribution to the adaptation of people as productive members of the work force.

CONCLUSIONS

The most productive utilisation of manpower resources calls for the elevation of their quality to meet the needs of the advancing modern Netherlands' economy and society. The educational and training systems should be related both to the present requirements and likely future developments. Essential steps to meet these demands have been taken, but additional changes must be made to prepare individuals to participate fully in the evolving economy and society. As the educational achievements of the Netherlands' population rise, the managements of the individual enterprises also have to redesign jobs so that they employ the better educated and prepared persons most productively and in a manner more satisfying to their aspirations.

The changes being effected by the 1963 Act governing the post-primary school system are raising the level of general education for youth. They are postponing the age for the choice of the school stream and making it possible for students to move more easily from one type of school to another. Such mobility is essential for adapting the school system to the varying pattern of individual growth. The increasing accent on general education meets the requirements of better preparation for modern work-life. Further advances in the age of compulsory general education, to the age of sixteen years, should be considered and implemented at the earliest time.

The work orientation of the present school system has directed a substantial body of the secondary school population to technical and vocational schools, with a large proportion of these young people terminating their education at fifteen and sixteen, leaving them with a narrow basis of technical training. Their occupational mobility in later life will be limited by this training system which will constitute a drag on economic growth. It is therefore *recommended* that a special study be made of the curriculum of the lower grades in these schools to determine ways in which general broad education might be extended.

The role of the apprenticeship system as practised in the Netherlands needs further clarification. Four questions were raised in particular in the analysis : the adequacy of the training, the qualifications of the establishments chosen for training, the propriety of the crafts selected for training, and the sufficiency of the system for further promotion. In view of the large number of youths who get their training through this system, close and urgent study of it is required.

The adult retraining centres provide a useful base upon which to construct a really adequate system of adult retraining. It should be expanded to allow for the admittance of adults affected by technological change, the hard-to-place groups, and women re-entering the labour market. The present programme for the occupational retraining of the mentally and physically handicapped appears more active and productive.

The social adjustment programmes developed in the Netherlands reach many groups and do much to help individuals to adjust and establish themselves in industry and urban society, for more productive employment and participation. Facilities in receiving communities and industry for rural migrants and foreign workers, particularly the former, are highly developed. The appointment of the special placement counsellor for long-term unemployed in the Employment Service would do much to increase the re-entry rate of this group. Much is being done for released prisoners and comparable adjustment programmes should be instituted for the poverty groups. The task of the social employment system is to assist in the rebuilding of individuals for normal employment and to provide permanent substitute employment. More emphasis on the return to normal employment would do much to reinforce the latter process. The new community locational and referral agencies will help many individuals requiring aid to achieve their fullest adaptation to employment and society.

Chapter IV

QUANTITY AND QUALITY OF LABOUR DEMAND

A. LABOUR DEMAND AND SCARCITY

The issues before the Netherlands authorities are whether the goals of economic growth can be realised through the operation of the present market or whether additional policies should be developed to assist in the reallocation of labour resources. The previous discussion by the Examiners has underscored their belief that there are labour reserves which can be brought into the active labour market and other labour resources whose utilisation can be enhanced through reallocation.

It is the *Examiners' conclusion* that even more could be done in these fields through the pursuance of an active and aggressive manpower programme to help market forces and pressures effect these changes, and assist employers and unions in more rapidly recognising and responding to the needs of the times through their personnel and industrial relations policies. The main responsibility therefore of the public manpower agencies is to help overcome the traditional sluggishness of the labour market.

The adjustment of manpower to labour market demands will of course take time to realise. Moreover, new labour market approaches and techniques will have to be learned by employers and while their effectiveness will increase with time, it is not likely that they will be fully effective at the beginning. The co-operation of all members of the industrial world will have to be established. Many new institutions and provisions for adjustment will probably have to be organised by government and made operative before full acceptance and co-operation are realised. In particular, this will require that the Employment Service provide a highly alert and competent service to management and, in the following chapters, the Examiners make certain recommendations in this direction.

In the meantime there will be many pressures from the labour demand side. The Manpower Authorities have the responsibility of making estimates of the effectiveness of general market pressures upon the allocation of the labour force, and of appraising the effectiveness of additional labour market tools and programmes in relieving this source of tension. They must also be prepared through research and knowledge of the labour market to join even more fully in the discussion of the appropriate mix of manpower and other economic policies and realise the desired combination of economic growth, full utilisation of the labour force, rising living standards and price stability. In particular, they must be prepared to discuss the labour market implications of restrictive policies — both general economic policies such as monetary and fiscal policy and specific policies such as incomes policy — and, if necessary, to advise on the selection which will continue to promote the optimum reallocation of manpower for economic growth and higher living standards.

B. PROGRAMMES FOR EXPANDING THE DEMAND FOR LABOUR

1. *Supplementary Employment Policy*

It is the Examiners' *judgement* that the characteristics of this policy go far in meeting and overcoming the objections to public works policy as a means of combating cyclical and seasonal variations in employment that have arisen in various countries in recent years, and therefore the Examiners *commend* to the attention of other countries the Netherlands' programme of supplementary employment.

2. *Regional Development*

The Examiners *note* that the regional development programme, in general, became more growth-oriented over time. When employment considerations were predominant in a specific area (South Limburg), the policy emphasis was immediately one of employment creation in that area. This indicates that the general policy is flexible in that it can respond to the employment needs of a specific area. At the same time the Examiners have reservations as to whether the policy might be equally flexible in future cases. These reservations stem from the special circumstances of the South Limburg case : the future of the Dutch coal industry was in doubt for some time due to competition from other coal producing areas and the discovery of the natural gas fields in the Northern provinces ; certain mines were state-owned thus permitting direct governmental control over the closing of these pits and the timing of this action ; the States Mines had already diversified and is now a major chemical concern which could expand operations in South Limburg. Accordingly, the Examiners *recommend* similar prompt and efficacious action for declining private industries with pronounced regional concentration.

3. *Programmes to Stabilise Seasonal Demand*

The Examiners are *impressed* with the design of this scheme, particularly its direct attack on the cause of winter unemployment, its financing, and with the fact that the incentive varies directly with the degree of difficulty in maintaining continued winter employment. Although the programme has been in operation just three years and only about 10 to 15 per cent of the contractors have joined it, the production gain has been substantial. It is estimated at 1,196,897 man-days in 1963/64, 291,000 in the mild winter of 1964/65, and 1,800,000 in 1965/66. The Examiners are also *impressed* with the Foundation's efforts to extend the coverage of the scheme through research, demonstration projects, and education.

Chapter V

PRODUCTIVE ALLOCATION OF MANPOWER RESOURCES

B. HIGHLY-DEVELOPED EMPLOYMENT SERVICE

1. The Employment Service in the Netherlands has evolved from local placement agencies into the present highly-developed national system reaching all parts of the country.
2. Studies should be made of the coverage, to define more precisely what improvements should be made to achieve a greater access to better knowledge and organisation of the labour resources. It is recognised, both inside and outside the Employment Service, that further penetration is required of the white-collar and high level occupations and for office, teaching, social and medical personnel and for sports and arts.
3. The Examiners are submitting a specific table on the distribution of placements by age, sex, province, industry and occupation, to indicate the need for further study of the separate labour markets and to show where there might be deeper penetration (Table VIII). The Examiners *recommend* that the Netherlands' authorities should make a close study of this problem and define the targets for penetration for the years ahead.
4. While the Organisation considers the Staff to be adequate for current service, the Examiners *believe* that a further expansion of the Service in line with an active manpower policy will call for a larger staff and many more people at higher salary levels.
5. The Examiners' *recommendation* on the development of employer services *could be implemented* through the establishment of a special section in one of the three divisions charged with co-ordinating policy and activities in these fields.
6. The Examiners therefore *recommend* that a close study should be made of the services to employers to determine which can be most profitably instituted and developed. Regular relations should be established by the national office of the Employment Service with the central offices of larger corporations, and with professional associations and other occupational organisations to work out systematic relations on manpower recruitment and manpower planning.
7. The results of individual surveys as well as the monthly and annual reports on the labour market are now released to the public. The Examiners *recommend* a review of these reports to determine whether they contain sufficient information to provide a firm basis for private decision-making.

8. If the Employment Service's participation is to result in the organised transfer of people to new employments, it must initiate its interviews and studies and make arrangements for new jobs before the plant closing or large scale redundancies. This practice is now observed in several countries and would be a constructive innovation in the Netherlands. It would generate a feeling of security, moderate the losses and build up a greater tolerance and acceptance for change.

The present law regarding dismissals is no substitute for this programme, since it is actually used only in individual cases where there is an objection to releases by either employer or employees, and some fields are entirely exempt.

The Examiners *commend* to the Employment Service a system of advanced warning and its acceptance by both management and trade unions.

C. EDUCATIONAL AND VOCATIONAL COUNSELLING

The Examiners *recommend* that the Manpower Authorities should redefine the function of the present guidance service in employment counselling for adults and the specific role of placement officers, develop the tools, and train the officers in their use. We *commend the proposal* made by the Employment Service that it should have a "Placement Counsellor" advising long-term unemployed and hard-to-place cases, other than those for which specific selective placement procedures already exist.

D. OCCUPATIONAL INFORMATION

The Examiners *recommend* that the occupational descriptions be supplemented by careful studies concerning the occupational outlook, to help students, parents and schools to be better informed about the economic prospects. More information would increase the usefulness of the reports for labour market purposes.

E. PLACEMENT FUNCTION

The Examiners *found* the contact system between clients and officer adequate but no detailed study was made of the actual effectiveness of this placement process.

F. INTER-AREA CLEARANCE AND VACANCY PUBLICATIONS

The Examiners *recommend* that a formal system of inter-office clearance of labour vacancies be established. Greater use should be made of the press and other media to inform people of existing job vacancies and new opportunities, particularly where this would make for more productive utilisation of the labour force. With the ease of commuting this service will probably be more useful.

G. FINANCIAL AIDS TO LABOUR MOBILITY

The Examiners *recommend* further study of the programme's provisions and administration, and the publicity given to it, to determine whether these provisions and their use can be improved in the present economic and geographical setting.

H. SEASONAL STABILISATION AND DECASUALISATION OF THE LABOUR MARKET

The seasonal employment problems in the service industries and fisheries might also be examined.

The Examiners *commend* the Employment Service for its initiative in the agricultural area, and *believe* that the Manpower Authorities should provide guidance and assistance to other industries for the further study of their seasonal and casual employment problems, to promote further regularisation and stabilisation of employment.

I. LOCAL MANPOWER AGENCY

Many of the elements exist for the development of the office as a local co-ordinating agency for manpower information, thought and policy. The Examiners theretore *recommend* that the Manpower Authorities should carefully review the present administrative operations at the local level in order to complete the organisational framework and services, thus enabling these offices to serve as area manpower agencies. The local director should constantly relate the information and knowledge about the nature of the labour supply and demand and economic developments to advise the economic and physical planners more fully.

J. LABOUR MOBILITY

The Examiners *recommend* that detailed study of the trends in labour mobility should become part of the regular responsibility of the Employment Service. There should be a regular collection of data, including that on personal geographic mobility and job changes, and establishment labour turnover. The statistical findings should be supported by special research projects to help interpret and examine these trends, to understand labour market developments better, and to assist in general policy formulation, individual employment counselling and employer/personnel and individual relations programmes. Guidelines for mobility of jobs, people and enterprises may thereby be evolved which will help to gauge short, medium and long-term developments.

K. SUMMARY APPRAISAL OF THE ORGANISATION OF THE LABOUR MARKET FOR PRODUCTIVE ALLOCATION OF MANPOWER

The Netherlands has made an effective transition from the operation of an unemployment office to that of an employment office. Its Public Employment Office is a highly developed and competent organisation which has built up its prestige, status and effectiveness through better services, staff and operations.

The Examiners have listed a number of *recommendations* primarily designed to assist in the transformation of the service into a central institution for the operation of an active manpower programme. Among the suggestions are : close study of the industries and occupations which are not being covered, in order to serve these groups better ; the development of services and contacts with employers and the co-ordination of such services with the national office ; the regular publication of national and local surveys on the labour market ; the establishment, with the co-operation of labour and management, of an advanced warning system ; a clear definition of the techniques of adult counselling with the employment of special placement counsellors for the long-term and hard-to-place groups ; statements on occupational outlook added to individual occupational descriptions ; formal inter-area clearance systems ; the distribution of and publicity for vacancy lists ; specific initiatives to help industries and areas to solve problems of seasonal and casual labour ; and that district and local office directors should assume more responsibility and become consultants and advisers on local manpower developments, the problems and needs of local bodies, in order to make the service more effective as a local manpower agency.

Finally, the Employment Service should promote careful systems of data collection and research on mobility within the labour markets, and formulate guidelines to advise national and local authorities, employers and individual clients more positively on the current rates of mobility, job changes and plant turnover, in order to contribute more effectively to a productive utilisation of manpower in the country.

Chapter VI

SOCIAL INSURANCE AND SERVICES FOR ADJUSTMENT AND MOBILITY

The Examiners have not made an intensive inquiry into this problem of the deterrents to mobility created by present systems. Their attention has been drawn to the inhibiting effect of some practices under the present system of "waiting" benefits. Management maintains people in short-time employment by means of these benefits even if the prospects for full time employment may not be good. The worker suffers because he thereby exhausts part or all of his unemployment benefits which leaves him unsupported for periods of full unemployment. Moreover, he is discouraged from looking for a new job. In the past, observations were made on the experience in social workshops in which people feared taking up regular employment in case they might permanently lose their invalidity benefits. The Examiners *urge* the Manpower Authorities, in co-operation with the social insurance agencies, to make a close study of the practices which as a result of the programme have grown up in enterprises, and which tend to inhibit mobility.

Chapter VII

THE ENTERPRISE AND THE ACTIVE MANPOWER POLICY

1. The Examiners *recommend* that changes in the regulations requiring approval by the Employment Service of dismissals, be considered as part of a total system of policies and practices dealing with redundancies and dismissals, and *urge* that a tripartite study be made based on a full survey of current practices, policies and objectives.

2. The Examiners *urge* the Manpower Authorities and employers and trade unions to make a series of studies to define the present enterprise policies and practices on matters directly related to the operation of national manpower policies, and to develop guides for managements to assist them in bringing their individual programmes in line with the agreed objectives of an active manpower programme.

Chapter VIII

ACTIVE MANPOWER POLICY

1. CONCLUSIONS CONCERNING A SINGLE AGENCY

The Examiners, in reviewing this administrative arrangement, *recommend* the setting up of a formal governmental unit, within the Ministry of Social Affairs and Public Health, charged with the continuing evaluation and periodic reporting to both the government and the public on manpower developments within the Netherlands, on the effectiveness of present measures and programmes, and on new requirements to attain the goals of an active manpower policy.

2. CONCLUSIONS CONCERNING CO-ORDINATION OF POLICY

This test focuses on whether means exist within the government for adequate co-ordination among the existing government agencies and between governmental and non-governmental agencies. The possibilities for co-ordination have been examined by setting forth whether there is, in the first place, within the Ministry of Social Affairs a unit charged with the particular component of manpower policy, and whether it has access, through formal or informal means, to other units within the Ministry, other agencies in the government, or non-governmental agencies vital to the particular area.

a) *Co-ordination within the Government*

Primary administrative responsibility for the components of manpower policy is shared by a number of ministries ; for certain of the components there is no inter-ministerial apparatus for co-ordination ; there is no administrative apparatus for the co-ordination of manpower policy in its totality ; and there is little opportunity for reaching into the non-governmental sector to influence its performance and coherence with public policy.

The disparity between the systems of co-ordination followed in the Netherlands and the system of co-ordination which the Examiners *deem necessary* may arise from the fact that the Examiners have adopted a broad definition of manpower policy. This point can be amplified by reviewing the five goal areas.

The Examiners' view of the goal area of *quantity of labour supply* presupposes that a policy decision will be made concerning what measures can be taken to vary the size of the labour force in relation to the magnitude of the demand for labour. Put into the present full-employment context of the Netherlands, this means a decision on how to increase the manpower resources by a combination of policies designed :

1. to mobilise the labour reserves,
2. to utilise foreign workers, and
3. to reduce the number of nationals working in other countries.

It also means guiding the present labour force in the interest of the individual and the economy to more productive occupations and employment.

In the Netherlands, the concept of this goal area is less broad and is seemingly confined to foreign labour, for which there is an inter-ministerial committee. What is absent is a mechanism to determine policy in relation to the total labour supply. The Manpower Authorities have a responsibility in this goal area to survey sources of manpower, to propose policies designed to increase the supply of manpower, and to implement these policies. If not empowered to institute such policies, they have the responsibility of advocating that the requisite policies be adopted. The present alternative of referring issues to the Social and Economic Council for original examination and recommendations is inadequate. It shifts the responsibility for initiative and overall responsibility from the government to advisers, and inhibits the development of an integrated policy.

Turning to the goal of *quality of labour supply,* the view of the Examiners is broader than that of the Netherlands' authorities. The difference is that, in the Netherlands, the role of the Manpower Authorities is centred upon training and retraining adults, while the Examiners *would stress* the need for the Manpower Authorities to provide advice, based on their specialised knowledge of the labour market, to the authorities charged with responsibility for general education, vocational education and apprenticeship training. The Ministry of Social Affairs should be prepared to summarise and, on an advisory basis, make available to the Ministry of Education its data and conclusions on the changing nature of jobs, requirements in industry, and preferred preparation for the work place. It should therefore counsel on curricula, methods of training, and critical ages of occupational commitment and job activities, and in turn, it should be advised by the experts of the Ministry of Education.

In the goal area of *quantity and quality of labour demand,* the Examiners *note* that the Ministry of Social Affairs has recognised the important role it has to play in the formation and development of economic policy to assure stable employment and to promote economic growth. Creation of the new General Directorate for Matters of General Policy reflects the importance to be assigned to the work of aiding the Minister, in his role as a member of the Cabinet of Ministers, on questions of economic policy, and in representing or advising other representatives of the Ministry in their role in inter-ministerial committees of economic policy. Such representation now exists in the field of the encouragement of growth areas, physical planning, and public works. Hitherto the Ministry has concentrated on training, for the labour shortage occupations in construction and metal, those *unemployed* who happened to become available. It can play a more active role of relating manpower views to economic policy. This means, of course, acceptance of the philosophy that its primary obligation is not only to provide jobs when there are not enough, but also to encourage the shift of employees to jobs of higher productivity, thus encouraging the expansion of such employments. In an era of full employment, this stress on the quality of jobs must complement that of the quantity of jobs. This view prevails with respect to problems of seasonal unemployment in the construction industry, where methods are being developed for continuing winter construction rather than relying on inclement weather payments and subsidies for winter projects. The basic approach to be stressed is the realisation of higher productivity for individuals and for the economy and not merely provision of jobs.

The components of the goal area of *labour market organisation* are primarily administered by one agency, the General-Directorate for Manpower. While problems of co-ordination of these components within government are therefore minor, it is essential that the organisation be responsive to the needs of long-term economic policy. The basically service approach with which the organisation has been administered in a period of full employment is in contrast with the thoroughly innovatory and advisory approach it followed in periods of unemployment when it promoted and stimulated the creation of employment opportunities. It is likely that the formulation of the government's medium and long-term economic programmes will be helpful in this respect. The guidance services will certainly have to take account of these findings. But the one field where co-ordination is most necessary is that involving the relation between the employment services and the individual enterprise.

Primary responsibility for the components of the goal area of *economic and social protection* rests with the Ministry of Social Affairs and Public Health and the Ministry of Culture, Recreation and Social Welfare. The organisation of the General-Directorate for Matters of General Policy promises to provide a channel for the co-ordination of manpower and social welfare policy within the Ministry of Social Affairs. Relations have been established at the operating levels among the agencies of the two Ministries. The development of the special counsellors for hard-to-place cases in the employment offices will enhance the opportunities for more intensive relations between the two. No special study has been made of whether more formal relations are required.

b) *Co-ordination between Governmental and non-Governmental Policies*

A great unevenness exists in the degree to which the governmental policy and standards are accepted or even recommended for acceptance or implementation by private institutions and agencies and enterprises. In the goal area of the quantity of labour supply, government policy is currently defined respecting foreign labour and emigration. In both fields the government works closely with the private bodies and has a collaborative relationship, in that each turns to the other for services.

As for the promotion of the desired quality of labour, the Ministry of Education generally enforces strict standards as to curricula, teacher selection and standards of achievement. Similarly concerning workshops, the Ministry of Social Affairs prescribes standards for the private workshops. As for the various social services aiding in social development, there are again standards set by the Ministry of Culture, Recreation and Social Welfare.

Economic policy impinging directly on the individual or enterprise or on other organisations usually sets precise standards for qualifications and amounts. The winter building benefits prescribe particular requirements for payments and encouraging winter construction. Benefits to enterprises locating in communities and programmes for investment in productive enterprise also call for specific qualifications.

In the area of labour market organisation, private guidance and counselling agencies must meet the standards set by the Ministry of Social Affairs. The qualifications of those receiving financial aid in movement and housing are also clearly defined. The Ministry of Social Affairs administers the law regulating dismissals of employees in private enterprises. The governmental services have not developed methods of promoting the implementation of the underlying emphasis of an active manpower policy, based on the adjustment of employees affected by economic and technical change within the enterprise, through appropriate personnel measures such as transfer, retraining and job redesign.

3. Recommendations Concerning Co-ordination

a) *Co-ordination within the Government*

The Examiners *recommend* that the central unit within the Ministry of Social Affairs and Public Health recommended previously should be charged with the further responsibility of promoting co-ordination within the government, between the Manpower Authorities and agencies and other governmental bodies responsible for the development of policy, or administering programmes which may influence the development of manpower goals and programmes. An Interministerial Committee should be established on Manpower Policy to be served by this unit.

b) *Co-ordination of Public Manpower and Enterprise Policies*

The personnel and industrial relations policies and practices of the enterprise, when viewed in their totality, determine, to a large extent, the potential responsibilities that the public manpower facilities may be asked to undertake. Accordingly, these policies and practices require major attention for the actual execution of a national manpower policy. In the Netherlands, the public agencies complement and supplement the work done within and by the enterprise. In some areas there is close co-ordination, so that common attitudes and programmes have been developed. But in other areas, there is no real co-ordination. An effort to bring public and enterprise policy and practice closer together would represent an innovation which would be in the national interest. Such an effort would entail close examination of current practices and the formulation of guides and policies for enterprises. Therefore it would have to be developed on the basis of co-operative effort of management, trade unions and the government.

The Examiners *believe* that a tripartite body charged with the above responsibilities could be instrumental in the effective realisation of the goals of a national active manpower policy. It should be supported by a staff to prepare the factual and analytical data needed for discussions and possible action by the body. Although it should be closely associated with the Ministry of Social Affairs, particularly with the principal manpower agency, and be served by the research staffs of the Ministry, it should nevertheless have an independent status. It should consider, among other subjects, enterprise programmes and practices for adjustment to technical and economic change, the aids which public agencies might provide for advancing the effectiveness of such programmes, redundancy provisions, dismissal notices, internal training programmes, and hiring policies and practices.

4. Participation of employers' and workers' organisations in Manpower Policy-Making

The OECD Recommendation on an Active Manpower Policy calls for "labour-management-government consultation and co-operation in promoting economic growth and improvements in the standards of all people".

Accordingly, the Examiners *propose* to inquire whether there is sufficient opportunity for participation by employers' and workers' organisations in the formulation and implementation of manpower policy.

Basically there is a very favourable disposition in the Netherlands towards advisory groups. They have been established by the government in many different connections, particularly on matters affecting economic and social policy. These bodies have been found essential to the attainment of understanding and stability in a country characterised by religious and economic segmentation. The religious groups have insisted upon retention of the administration and operation of many functions directly performed by government in other countries, and have in fact secured public financial support for their agencies. Advisory bodies have become essential instruments for co-ordination of the policy, the maintenance of standards and the work of the diverse private bodies which receive financial aid from the government to administer programmes. The advisory committee systems have become so important that in some instances they formulate public policy.

With regard to the manpower policy, we shall first consider the overall advisory groups of which there are two. The Central Advisory Committee on Manpower Policy operates directly in relation to the Manpower Authorities. It consists of two committees ; one dealing with policy for additional employment, which has been inactive in recent years, and the other with "National Labour Employment and General Affairs". Its subcommittees deal with problems of training for the handicapped and vocational training. This Committee meets monthly.

The Central Advisory Committee is viewed by the General-Directorate for Manpower primarily as a means of securing advice on problems confronting the Service, and most of the items of the agenda initiate from suggestions by the Director-General for Manpower. It provides early reactions of experts in various phases of the labour market to new plans and ideas and provides the consent, sanction and support for innovations and changes. It is not a body which takes many initiatives in reviewing the total labour market and its problems. It is deliberative rather than administrative in its pace and methods of operation. Discussions with representatives of employees indicate that they have not considered it in the past an appropriate place for initiating policy discussion on broad issues. The agenda of the committee indicates that it has dealt with specific problems of interpretation or application of general policy and administration. The members have served as a means of providing information about operations to the represented agencies, but they have not generally used the data for regular communication to their local agencies. The Employment Service personnel have found the relationship useful and profitable and the continued operation of the Committee has helped to maintain better relations with the communities and support from all groups.

The committees attached to the regional offices appear particularly concerned with the application of general policy to local conditions and problems of co-ordination of activities. These committees can help to press issues on the national level which the director may be unable to do himself.

Another major advisory body is the Economic and Social Council. But it has not had a permanent committee on manpower policy, and when the issues were presented to it in 1964, it had to create special ad hoc bodies. Without permanent expert staff in this field and with limited resources for study and research it has not acquired an expertise in these fields. The considerable overlap of membership with the Foundation of Labour has tended to give priority to the latter, where urgent collective bargaining issues are discussed. It includes representatives of the major interests and has an immediate and broad concern with economic and social issues, with a particular primary interest in the nation's economic stability and growth. It can relate its discussion of social issues to the central economic developments.

It would require a considerable expansion of functions and demand new resources for it to deal regularly with manpower issues. Being remote from the Ministry of Social Affairs, its immediate influence upon studies and policy in the agency concerned with these problems would probably be less direct.

Permanent and ad hoc advisory groups have been set up in many individual fields. The permanent groups are noted in Table XI. One of the most relevant for us is the Educational Council advising the Ministry of Education. Given the requirement that an advisory body dealing with manpower policy must have specialised competency and considerable resources, plus the fact that the primary responsibility is lodged within the Ministry of Social Affairs, the Examiners recommend an advisory body directly attached to its office, similar to that of the Educational Council, as most appropriate. It should concern itself with broad issues rather than with the administration of any one segment of the manpower programme.

Chapter IX

INFORMATION, FORECASTING AND RESEARCH

1. Conclusions Concerning the Collection of Labour Market Data

The Netherlands labour market statistics have consisted of discrete series which were not necessarily consistent with one another, nor integrated or responsive to the changing labour market conditions. They have not always been sufficient to provide the required insight into developments, and ad hoc surveys are, therefore, required to provide guidance on current problems. A statistics system should be devised to provide a continuous view of the labour market and the utilisation of human resources.

Achievement of consistent data requires a central reference series of a more global character to which the individual series must ultimately be related. Then each type of special statistical information can supplement the other in throwing light on developments. In the case of establishment information, the information should be related to a reference series such as industrial censuses. The information on households or individuals will be tied in to the decennial census. Administrative data are, by their nature, collected for specific purposes, but the collectors might well consider the secondary uses of the information and develop it in such a manner that it can be considered in relation to either of the above two reference censuses, the industrial or establishment series or the household or population censuses.

The second need, after consistency and integration, is historical continuity of data to permit the policy makers to examine past trends and project future developments. Existing series should be reworked to allow them to be considered in connection with the reference series and the newer types of data being developed. This process of building historical series of course brings immediately to the fore the questions of bench-mark years. The industrial censuses provide annual information, but the decennial census has left a broad gap to be filled in the form of labour force surveys. The latter have ultimately to be connected with an overall census.

The third requirement is for the collection of the data to be on a frequent enough basis to reflect developing conditions and variables. A manpower agency must identify the problems. Information on hours, hourly earnings and income are now collected once every three years. Information on employment other than manufacturing, mining and building is available on an annual basis. Data on labour force participation and part-time employment are to be obtained only in the census. Job vacancy and unemployment data are currently provided monthly.

The fourth requirement is to fill the existing gaps in vital information, such as age and sex of workers, marital status, continuity of employment, total hours worked, income, past occupational training relative to current employment and multiple job holding. Much of this data would have to be obtained on a current basis, through the household type of survey.

The Examiners therefore *recommend* that a full review be made of the current statistical information. This review would have as its objective an evaluation of the adequacy of the statistics for the purposes of an active manpower programme, and would indicate the necessary innovations together with a schedule of priorities for such changes. The new statistical information should be consistent, i.e. related to major reference sources such as population and industrial censuses ; all series should be integrated into these programmes and users be provided with guides on how the information might best be related to the reference series.

The present effort to establish the series "Statistics of Working Persons" is highly commended as a contribution to the more effective use of establishment information. The statistical authorities should explore methods of bringing other surveys employing the establishment source within the system.

The establishment reports might, at intervals, report the amount of overtime and short-time worked, part-time employment, sex and age of employees, hourly earnings, labour turnover, occupational data, vocational and training activities.

The greatest gap in the information structure is created by the absence of a household survey of the labour force. Many aspects of the labour market can only be effectively studied through information collected in this manner. It provides data on labour force participation, part-time employment, intermittency of employment and multiple job holdings. Many technical problems may arise in building a survey of this type as a supplement to the decennial population census. The accuracy of such a survey is a function of its absolute size and in a country with such a relatively small population it presents a problem and may be costly. But the need for the information is so great that the authorities should assign high priority to the development of practical techniques for conducting such a survey. We call attention to the Swedish system of sample surveys, based on a sample of individuals rather than households, where the interviewing is done by telephone. Through study and experiment, a feasible and practical system might be devised and the information obtained in this manner would justify the investments in research for building this system.

2. FORECASTING

Now that the Netherlands government is entering upon a programme of organised medium-term forecasting, the opportunities for considerably more detailed forecasts of labour supply and demand will increase and further studies in this field would be more rewarding.

3. RESEARCH

With the importance of the questions of labour supply and the preoccupation of the Economic and Social Council with older workers and women, it would appear that more attention to the issues of labour resources would be in place.

4. CONCLUSION

The central manpower agency has a need for information to define the work and to test the effectiveness of the individual programmes. Therefore one of its significant sections must consist of a permanent group which receives administrative information from the individual agencies and subjects it to an analysis suitable for making these judgements. No doubt there will be need for supplementary administrative data as well as analytical tools for evaluation. The latter will consider not only internal effectiveness but the relative benefits and costs, both economic and human, of the components of the programme at different periods.

Programmes for labour market data collection and forecasting and research in manpower problems should be more formally organised. A statistics system built on central reference systems providing for continuous historical series, based on frequently collected data, is essential to the manpower agency. Such a statistical system would provide a sound basis for future forecasts. The formal review of present procedures and needs *recommended* by the Examiners would contribute substantially to the integration of present efforts and would produce a suggested schedule for developing necessary new information.

Research is essential to develop new statistical series and knowledge of labour market behaviour, and in order to understand the many problems now arising at the policy level. The responsibility for formulating on a continuous basis the agency's research interests and suggested projects should be placed with a specific administrative official and regularly reviewed by the policy makers. This official should be in constant contact with research and academic specialists to encourage their interest and work in these fields.

A regularised procedure for continuous evaluation of current operating programmes should be established in the central manpower organisation to make tests of effectiveness and relative benefits of the programmes at different periods of time.

REPORT

Chapter I

POLICY PRIORITIES

A. INTRODUCTION

The Netherlands is experiencing substantial structural changes in its economy. Current labour market problems are vastly different from those which preoccupied the country in previous years. The modern capital intensive economy being built in this country calls for sophisticated managements and a highly educated and trained work force. The traditional labour supply is fully employed and the pressures on the labour market are causing new groups to enter the labour force. A vast process of reallocation of manpower is under way. The consequent tensions add to the urgency for action to effect a realignment of manpower to the new industrial structure. At the same time the impressive rate of economic growth is strengthening the people's expectations for a higher standard of living and impelling them to seek more immediate realisation of these aspirations. These developments have changed the problems claiming highest priority in the labour market. They call for an appropriate reordering and expansion of services which would support and facilitate the adjustment to continued economic growth and the realisation of the nation's economic and social goals.

B. THE NETHERLANDS NOW FACES A SCARCITY INSTEAD OF A SURPLUS OF LABOUR

For centuries the Netherlands was a seafaring and trading power, and the modernisation of the agricultural sector was begun in the 1880's. Labour surpluses and under utilisation of manpower were prevalent. Improvements in economic well-being occurred, but little thought was devoted to formulating programmes to achieve specific rates of growth or to assure full employment. The Netherlands' rate of increase in its real gross national product before World War I did not differ much from the average European level. During the teens and twenties, its economic development was somewhat more favourable than that of its neighbours, partly because of the neutral position it had maintained during the First World War. But with the onset of the depression in the thirties the country was caught in the international vortex and suffered serious economic setbacks.

Unemployment began to be measured in 1921 and the average rate in the Netherlands for the period from 1921-30 was 3.6 per cent. But with the depression, the numbers and rate increased, rising to 6.6 per cent in 1931, and then, as conditions deteriorated, to 17.3 per cent in 1936 when 415,000 were unemployed. A slight improvement occurred thereafter ; the rate receded to 9.2 per cent in 1939 with 296,000 unemployed. Manpower policy was preoccupied with the problems of the unemployed, and several important elements of current programmes originate from this era, such as the raising of the minimum work age to 14 years for boys and 15 years for girls, and the promotion of emigration. The government also set up regional economic and technological institutes to stimulate regional development, provided financial aid to several industries including diamond-cutting, ship building and shipping, and set quotas on imports and subsidised exports.

The concern about unemployment and its ravaging effects has persisted during most of the post-war period. In the first era after the War, the primary interest was reconstruction and the achievement of a viable economy oriented towards the ultimate realisation of the social and economic commitments to attain a rising standard of living and full employment. With the loss of physical capital and population during the war. the subsequent severance of control over overseas holdings and the disappearance of established foreign markets, including Indonesia which gained its independence in 1949 and accounted for some 10 per cent of the GNP, the government was determined to correct the adverse balance of payments, fearing that it would spell large-scale unemployment.

Close collaboration was established among the national interest groups for this purpose. A period of austerity (1945-7) was followed by one of reconstruction (1948-52). Although price and wage policies and industrialisation programmes were instituted, unemployment continued to be the disturbing fear. Beginning with a rate of 2.8 per cent of the working population in 1946, the level of unemployment followed the fortunes of the economy, dropping to 1.2 per cent in 1948 but rising to 1.7 per cent in 1949. With economic recovery in 1950 it improved and stood at 1.2 per cent. Under the pressure of international economic developments and the Korean war, it jumped to 2.4 per cent in 1951 and then to 3.6 per cent in 1952.

With recovery a new era of expansion began, but it was also beset by difficulties. The floods of 1953 served to divert national attention and resources to the problem of protecting the south-western part of the country from the sea (the cost of the Delta-works is estimated at 2.5 to 3 billions of florins), and then there was the recession of 1957-8. There was little confidence that an era of growth had actually been inaugurated. Nevertheless, a restlessness was perceptible in the search for new methods of implementing the economic and social objectives. A new social insurance law covering unemployment risks was enacted in 1952. Proposals for other improvements were offered. The wage controls shifted from a direct tie-in with changes in the cost of living, to the maintenance of the employee's share of the national income. A new emphasis on regional development was initiated to assure more industrialisation throughout the country. The improvement in the unemployment level, which had dropped to 0.9 per cent in 1956, was short-lived, as it rose to 1.2 per cent in 1957 and then to 2.9 per cent in 1958. At the peak, in the month of February 1958, the rate was 3.7 per cent.

The present era of economic growth began in 1959, and with it came the conditions which provide the setting for our present evaluation of manpower needs. Fundamentally, the country has since 1959 enjoyed a period of continuing, though not uniform economic growth. Gross national product increased in the period of 1960-65 by an annual average of 4.6 per cent as compared with 4.2 per cent in the previous five-year period and 5.7 per cent for the span of 1950-55. Industrial production experienced an annual rise of 4.8 per cent. This industrial era absorbed greater numbers of people and new groups, so that employment grew by 1.6 per cent per annum in this period as compared with 0.7 per cent in 1955-60 and 1.1 per cent in 1950-55. The consequence was a marked reduction in unemployment ; the rate dropped to below 1.0 per cent in 1961 and has since declined to a level of 0.7 per cent.

A basic 45 hour week was introduced in 1962 without adverse results upon the nation's competitive position. The rate of increase in output per employed person is calculated as 4.6 per cent per annum for the period 1950-55, 3.5 per cent for 1955-60, and 3.0 per cent for 1960-65. The slack in the economy has been taken up. Further expansion cannot rely upon the utilisation of idle physical resources but will increasingly depend upon new inputs, including manpower, and their efficient utilisation. Resources will have to be shifted to more productive uses, and activities in the less dynamic sectors and areas will have to be stimulated.

Wage policy was also liberalised, first to allow for productivity increases by branch of industry and then for greater freedom in bargaining, without removing intimate controls. But in May 1966 a freeze was placed on contract approval, i.e. permission to put the terms of agreement into effect to reduce inflationary pressures. Throughout this period the national authorities have been constantly preoccupied with guiding economic policy towards maintaining short-term stability. Toward the end of the period, they have, as in many other countries, added to this concern an effort at planning for medium-term economic growth.

The current period has brought the Netherlands face to face with the problem of labour scarcity. It has always been aware of its constricted physical area. Land has been a well-known scarce factor of production. The nation has, therefore, made numerous efforts both to protect available tillable and useable land and to create new resources where feasible. The nation has evolved a number of positive programmes to this end and also to influence regional planning and the use of the soil. Physical planning plays a significant part in the field of governmental growth policy as it looks far ahead to the appropriate guidance of the allocation of land for various uses.

What is now particularly new is that manpower has now become the scarce resource for which specific programmes are required. This is the challenge to be met by an active manpower policy.

As for capital, adequate foreign and domestic capital were both available but investment potentialities were limited by the shortage of industrial sites and labour. Licences for the construction of industrial plants are being held up to restrain the inflationary effects of such building activity. As a result, a number of potential projects for the Netherlands are being delayed and some Dutch and foreign firms with urgent needs for expansion are starting operations in Belgium.

C. A DIVERSIFIED INDUSTRIAL NATION IS EMERGING

Economic expansion is converting the country from a trading, financial, seafaring and agricultural nation to a modern industrial centre. The shift has been particularly strong in the last decade, with significant effects upon job opportunities and requirements. The entire labour market is taking on a new appearance.

The major expansion in employment has occurred in the industrial sector, and particularly in the non-craft plant division including manufacturing, construction and public utilities. The ratio of the active population in the sector rose from 37 per cent in 1947-8 to 45 per cent in 1966, and it is likely to continue to grow before it is overtaken by the service group.

Trade, transportation, communications, banking and insurance have only slightly expanded their share, growing from 20 per cent of total employment in 1909 to 24.6 per cent in 1964. Most of the increase in the relative share was achieved before 1930, so that their proportion of the active working population has been relatively stable for the last four decades.

Employment in the agricultural sector on the other hand has been contracting for many decades. Accounting for almost one-third of the active population at the beginning of the century, this sector has been cut to 8.4 per cent in 1964 and it is still shrinking. Since 1950 the rate of increase of its contribution to the gross national product has been one half of the rate of increase for all sectors. Domestic services is another sector which is dwindling in importance : its relative share of total employment has decreased to one-third of the ratio it held at the beginning of the century.

The truly dynamic sector in the Netherlands economy is, therefore, the industrial one. A limited and narrowly built series of individual production groups have been converted into a highly diversified and extensive group of new modern industries. The earlier manufacturing industries consisted of a great many small shops. Products were built to serve the needs of transport, soil protection, the processing of indigenous and tropical farm products and the manufacture of goods traded in international markets.

The new industries are very different. They are concentrated in the metal and chemical industries which are, of course, the major modern industries. Among these, electro-technical products, metallurgy, oil refining, petro-chemical and especially plastics are included. Many products of the current era are now being manufactured, including turboprop aircraft and probably jets in the near future, computers, telecommunications apparatus, and chemicals such as polyesterene and terephthalic acid. Probably the most significant development was the discovery and exploration of natural gas ; this is not only providing a new cheaper fuel and source of foreign earnings, but will by 1969 replace coke gas in the public energy field for domestic and industrial use. It is estimated that in the 'seventies, annual foreign earnings from this source will be 1 billion fls.

The expansion of construction is being carefully controlled by the government through its system of licensing, designed in the first place to prevent excessive pressure on the building market, and secondly to assure the appropriate priorities in types of construction. Until 1959 all requests for industrial building could be cleared in a reasonable time. But with the industrial boom, the backlog has been growing, so that while it represented twice the annual rate in 1963 it had risen to four times the annual rate of construction in 1965. The continued controls not only hold up

TABLE I[*]. ACTIVE POPULATION BY CLASSES OF ACTIVITY
1909, 1930, 1947/48 AND 1964

Percentages.

	1909	1930	1947/48	1964
All activities :				
Industry and craft	34.3	37.8	36.9	43.3
Agriculture etc.	28.4	20.6	19.8	8.4
Trade	10.9	13.6	13.1	13.5
Transport and communications	8.4	9.3	8.8	8.4
Banking and insurance	0.8	1.5	1.8	2.7
Domestic services	9.5	7.7	4.9	2.4[1]
Other services and unknown	7.7	9.5	14.7	21.3[1]
Total	100	100	100	100
Industry and craft :				
Building	21.1	21.4	18.8	20.2
Metal industry	15.3	19.8	25.9	30
Foodstuffs etc.	15.2	15.2	13.1	12.1
Clothing etc.	14.2	11.3	11.2	8.5[1]
Textile industry	7.8	7.3	6.2	5.9[1]
Wood, cork, straw	6.2	4.8	4.7	3.5
Leather, rubber etc.	4.8	3.5	3.9	3
Earthenware etc.	4	3.3	2.7	2.7
Mining and quarrying	3	4.2	3.8	2.5
Graphic industry	2.6	2.6	2.4	3.7[1]
Chemical industries	1.6	2.2	3	4.5
Public utilities	1.4	2	2.1	1.9
Paper industry	1.3	1.8	1.7	1.4[1]
Diamond	1.3	0.6	0.1	0
Applied art	0.1	0.1	0.2	0.1[1]
Total	100	100	100	100
Industry :				
Metal industry	24.5	28.8	30.3	36.5
Foodstuffs etc.	17.7	15.8	15.9	14.3
Textile industry	17.7	13.9	13	10.2
Earthenware etc.	9	6	5.1	4.6
Wood, cork, straw	6.1	5.3	5.3	4
Graphic industries	5.4	3.9	3.1	4.1
Mining and quarrying	4.9	7.8	6.3	5
Clothing etc.	4.3	8.2	8.4	7.9
Chemical industries	2.9	3.6	5.2	6.8
Diamond	2.7	0.7	0.1	0
Paper industry	2.4	3.1	3.1	3
Leather, rubber, etc.	2.4	2.9	4.2	3.6
Total	100	100	100	100

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[1] Estimated.

[*] This table has been based upon the combination of different statistical sources, which are not fully comparable. Therefore it does not pretend exactitude, but this does not endanger the conclusions drawn.

expansion but delay the building of new plants for more capital intensive conversions of older operations. The government has, however, determined on a more deliberate programme of expansion of home construction to fill the gap in this field. It has deliberately allowed and fostered a higher rate of unit construction, which has risen from the 80,000 average for 1959-63, to 114,700 in 1965, the goal being 125,000 units in 1966. At the end of 1965 the number of units under construction was 148,000. Manpower priorities are being assigned to achieve this goal. Moreover the licensing system is also operated to encourage labour-saving methods. The total volume in this field is, therefore, likely to continue at a high level for the period ahead. The licensing requirements for construction are to be liberalised in August, 1966 for areas where construction activity is low.

In contrast to the expanding divisions of the industrial sector, there are several contracting ones in terms of the relative proportion of total employment. These include clothing, textiles, woodwork and straw, earthenware, and diamonds. The graphic arts industry, which showed a drop in its relative standing in the early post-war period, has recovered part of its position because of low prices and high quality. Recent advances in other countries threaten this market. The clothing and wood industries, on the other hand, slumped in their proportion of employees in the early post-war period and subsequently stabilised on this lower level. However, the textile industry, based on the unsatisfied demand, showed a marked improvement in the early post-war period but has since been steadily declining. Organised for production of cheap materials for overseas markets, the industry is proving less competitive in the highly variable style-conscious European market. Since 1953, the actual absolute number of employees has been slipping in the mining and textiles industries. Currently a number of brick manufacturing plants have been closed under pressure from competitive building materials.

D. NATIONAL PROGRAMMES FOR STRUCTURAL CHANGES

The most important contracting sectors or industries in terms of actual employment are agriculture, coal mining, small retail shops and craft shops, shipbuilding and textile industries. The central government has taken official cognizance of all but the last of these developments. For agriculture, small retail and craft shops, formal programmes have been instituted to encourage the exodus of independent entrepreneurs. These programmes for exodus are part of a larger plan to restructure and increase the industries' efficiency. The government has scheduled phasing out the operations in coal, as its competitive position is declining relative to other fuels, particularly oil and natural gas. The substitution of new industries in the area is being encouraged.

The programmed closing of mines has been announced in the South Limburg area. One of the first is the Maurits Mine where operations are being contracted over a three-year period and 7,000 surface and underground workers will be offered other jobs or granted an early pension. Coke production is also being reduced. The large Dutch state mines corporation is rapidly being converted into a chemical concern with sales in chemical products exceeding those for coal and coke for the first time in 1965.

To meet the problems of the shipbuilding industry, a Commission has been set up to define methods of making it more competitive. The special problems of the textile industry were brought to the fore by the discussion following the abrupt closing of a large enterprise ; mandatory discussions between management and the works councils prior to plant shut-downs were demanded for the future.

The programmes for facilitating the exodus from agriculture are directed particularly to the owner/operators of small farms. There are advisory or guidance services to help individuals to decide about the soundness of continued operation. Since 1964, a system has been in force for monthly termination payments for farmers of 50 years or over who wish to withdraw from active farming. The monthly payments increase from 196 guilders for those 50 years of age to 451 guilders for those 60-64 years of age, and revert to 95 guilders per month for those 65 years of age and over. In 1966, a further scheme became effective for the payment of single termination allowances for those who wish to give up farming irrespective of age. Both are proving attractive to farmers : several thousand applications have been made and a substantial proportion approved.

A plan for the payment of monthly termination allowances for small retail shop and crafts' operators 50 years of age and over has been announced by the government. It is aimed at assisting those operators who have to give up their businesses due to illness, old age or slum clearance, bankruptcy or insufficient earnings, or for other reasons. It will contribute to the orderly exodus from this business.

E. ACHIEVING A BALANCED REGIONAL INDUSTRIALISATION STRUCTURE

The increased rate of industrialisation in the Netherlands, aided by the Government's regional industrialisation programme, has brought a substantial geographical decentralisation of plant installations. In this way economically backward areas are being penetrated and a greater regional balance is being achieved. The regional development policy followed three different stages during the post-war years. Beginning in 1951, it sought to eliminate structural unemployment in some regions by creating employment in development areas and stimulating migration from them to the labour stringency zones. In 1959, when the high costs of over-expansion of the industrial centres were recognised, the emphasis shifted to a concentration on industrialisation of the less developed regions to obtain a balanced regional structure. Finally in 1964, as unemployment had been reduced broadly across the country, a new policy was introduced centring on the industrialisation of "encouragement areas" which became nuclei for specific growth. These include areas such as South Limburg, where mines are being closed. Furthermore an agreement has been reached with Germany (FR) for the co-ordination of redevelopment programmes for the common border areas near Aachen in Germany and South Limburg in the Netherlands.

The less developed areas have continued to prosper. The increases in industrial employment from 1950 to 1964 have been relatively faster in these areas than in the established industrial ones, and their share of the work force has risen (Table II). From 1954 to 1964 the differences have been narrowed among the provinces in the proportions of employees in industrial employment and the ratios of industrial to total population[1]. The percentage increase in employment in the rapidly expanding metal industries, over the period 1950 to 1964 was greatest in the Northern province, followed by the Southern, Eastern, and Western provinces. The chemical industry, particularly the petro-chemical division, was bound by the advantages to the Randstad or western areas, so that a major proportion of its growth occurred there.

TABLE II. GEOGRAPHICAL DISTRIBUTION OF THE INCREASE IN INDUSTRIAL EMPLOYMENT OVER THE PERIOD 1950-1964[1]

AREA	PERCENTAGE EMPLOYMENT INCREASE	PERCENTAGE DISTRIBUTION OF INDIVIDUAL EMPLOYMENT	
		1950	1964
Northern Provinces	59.1	6.9	8.9
Southern Provinces	30.9	28.2	30.6
Eastern Provinces	21.6	20.7	20.6
Western Provinces	10.6	44.2	39.9
Economy wide	23.1	100	100

1. Employment in industrial enterprises employing 10 or more persons.

One of the consequences of this increased balance is that the migration of people from the North and East to the Western part has been considerably reduced, and the exodus of farm population, particularly in the North, has been toward the nearest "encouragement areas". In 1964, for the first time since 1935, more people moved from the Randstad to Groningen than vice-versa.

In 1964, when the overall national unemployment rate had dropped to 0.6 per cent, only one province in the North had a high unemployment rate of 2.5 per cent (Drenthe). The other Northern provinces had a rate of 1.8 (Groningen) and 1.4 (Friesland), which contrast strikingly with rates in excess of 6 per cent in 1952 in all three provinces. Even as late as 1959 the province of Drenthe recorded a rate of 8 per cent. The unemployment rates in all provinces in 1964 tended to cluster about one half of one per cent, except for Zeeland where it was one per cent.

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[1] A statistical summary of this development can be obtained through the measure of the dispersion of employment among the provinces. The standard deviation of the distribution of employment declined from 6.72 in 1954 to 6.56 in 1959 and 6.25 in 1964. A further confirmation of the trend is provided by a calculation of the standard deviation of the percentage share of the total industrial population, divided by the percentage share of the total population in the province, with the designation of the ratio for the whole of the Netherlands as one. The standard deviation of these ratios has also declined from 3.48 in 1954 to 3.00 in 1959 and 2.60 in 1964.

F. LARGE SCALE INDUSTRY WITH MODERN TECHNOLOGY AND MANAGEMENT IS BEING CREATED

One of the casualties in the process of structural change is the small enterprise. They are diminishing in numbers and importance and their operators are shifting to other employment or retiring. New modern plants are rising in their place, as well as the large corporation which, with its many production units and in some instances international operations and relations, is even more significant. Pressure is being put on management in the Netherlands to upgrade its competences, particularly in manufacturing, and to master the current sophisticated techniques and apply them widely in their operations. Management is, therefore, in the midst of a revolution both in terms of knowledge required and skills employed. The nature of plant operations and demands on employees is changing, approaching more closely the patterns of advanced industrial performance.

The decline of small enterprise throughout the economy is reflected in the ratio of employment in enterprises employing less than 5 persons, which has shrunk from 75 per cent in 1905 to 70 per cent in 1953 and to 58 per cent in 1962. In the industrial sector, the ratio of enterprises with less than 10 employees has also slipped, declining from 55 per cent in 1909, to 37 per cent in 1930, to 22 per cent in 1947, and to 11 per cent in 1962. Other evidence of the sweep of the movement is to be found in the decline in the absolute numbers of enterprises covered by the social insurance plans, which have fallen from 61,183 in 1953 to 50,615 in 1962, the casualties primarily being among the small enterprises.

The large corporation and the industrial colossus have taken over more and more. Middle-sized enterprises are being established. But mergers are penetrating many fields, particularly the chemical, metal and textile branches. In the period from 1958 to 1965, the Ministry of Economic Affairs reports 258 mergers involving 175 Dutch and 83 foreign companies. In 1965 the enterprises with 500 or more employees accounted for 3 per cent of the total number of enterprises and employed 51 per cent of the workers. These large enterprises employed more than one half of the workers in chemicals, metals mining and quarrying, textiles, gas and electric and water industries. The country also boasted several of the largest international corporations in the world with far-flung international holdings, including Royal Dutch/Shell, Philips of Eindhoven, Unilever, Algemene Kunstzijde Unie, Royal Netherlands Blast Furnace and Steel Mills and NV Chemische Fabriek Naarden.

One of the major stimulants to industrial growth has been foreign investment. The Netherlands has continued to welcome these foreign interests particularly if they invested in capital-intensive plants. The number of new enterprises rose from 98 in the period 1946-52, to 143 in 1952-57, 269 in 1957-62 and 277 in 1963-65. About 40 per cent are wholly owned subsidiaries. They have concentrated in the electrotechnical, metal and chemical industries, though considerable sums have also been invested in clothing and foodstuffs manufacture. The principal countries from which these corporate investments originated were, in their relative order of magnitude, the United States, United Kingdom, and West Germany, although other countries, inter alia, Switzerland, Belgium and Sweden, have also added to these funds. These companies have not only brought funds, but also, and perhaps equally significant, their technical know-how and manufacturing and management methods.

All evidence points to the conclusion that the growth of industry has meant a shift from labour to capital intensive operations. The new industries are modern and capital intensive ; the increase in non-residential capital formation has shown substantial emphasis upon machine equipment and transportation equipment in the industrial sector. Most of the rise in output in modern industry is being accompanied by little or no increase in employment[1].

A further indication of the new era is the growing use of computers of which there are now some 500 in private industry. Computer operators have organised the Netherlands Automation Information Research Centre to enable them to exchange information and experience.

Both middle and top management have hitherto had limited preparation for the tasks which lie ahead of them. The majority of enterprises, including corporations, are managed by members of the family. Awareness of current needs has spread and new national efforts are being made at intensive management education and training. The large companies are organising specific internal training programmes for their executives and managers and also joining with others in encouraging the organisation of further facilities in the country. The first chair in management is being established with the support of the Groningen Commercial Club, at the University of Groningen. Moreover, co-operative relations are being organised with American universities for joint management training programmes, in anticipation of the formation of more permanent schooling facilities. In the meantime, both American and Dutch management consultants are being employed in greater numbers to advise on new methods. In some instances, managers are being recruited from abroad by corporations with international contacts to bridge the present shortage and to upgrade performance more quickly.

Within the country, companies are establishing more co-operative technical relations with one another to exchange information, to establish higher standards for products and to increase their efficiency.

More and more interest is also being shown by small and medium-sized enterprises in collective research and in financing specific investigations at the Institute of Applied Scientific Research and other research organisations. Nevertheless, it is still a fact that 80 per cent of all research and development in the Netherlands is undertaken by enterprises employing more than 1,000 workers and no less than 65 per cent by the five companies : Royal Dutch/Shell, Philips, Unilever, AKU and DSM (Staatsmijnen).

Finally, the large corporations are taking over the burden of foreign trade, replacing the older companies and products. Many new plants are, to a great extent, export-oriented. In 1964 the companies employing 1,000 or more persons accounted for nearly 60 per cent of all industrial exports. Moreover, 54 per cent of the product of the chemical industry was exported, and 37 per cent of the metal industry.

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[1] The average annual rate of increase in output per person was 4.25 in 1951-60 and 4.5 in 1963-65, and the average rates of increase in employment in the same period were 0.75 per cent and 1.5 per cent.

The above developments reinforce the conclusion that large scale industry with modern technology and industry is beginning to dominate the Dutch economy. Its pace is rapidly penetrating the entire economic fabric and the labour market.

G. JOBS IN THE NEW INDUSTRIAL SOCIETY

The new job opportunities are markedly different from those previously existing in the Netherlands. Employment in agriculture and domestic service has declined. The new industrial jobs demand more schooling, training and industrial know-how. Only the most limited definition exists of this new pattern. A study of the manufacturing industries indicates that the largest rise in relative share has occurred among the administrative personnel, followed by employees at the higher and intermediate levels of management. An analysis by Dr. H. Reinoud establishes that the rate of increase during the period from 1930 to 1960 was 258 per cent for the first and 145 for the latter categories, whereas the increase of workmen was less than the overall rate of expansion and the number of proprietors and other heads of enterprises actually declined. On further analysis, he assigns internal structural and technical change a greater influence on the redistribution of jobs than the change in the internal mix of industries[1].

More intimate studies are required of the nature of the administrative and actual productive jobs. The latter are of particular importance as they constituted three quarters of the jobs in the manufacturing industries in 1960. From what is known of these jobs, it is apparent that, with mechanisation, an increasing number of employees are becoming machine operators and minders. With the predominance of chemical and metal industries, process operators are becoming more significant, with higher requirements for general education.

H. RISING EXPECTATIONS

Direct and indirect evidence is available of the great demand for upgrading the living standards in the Netherlands, following the early period of austerity and the era of controls which has relaxed only slowly. The wage demands put forward by the unions reflect this desire for greater parity of Dutch wages, earnings and benefits with those of their immediate neighbours, especially Germany (FR). Throughout the sixties, and particularly in connection with the wage explosion of 1963, this rationalisation was quite obvious. Another significant index is the demand for adequate housing which has led to governmental recognition of the need for a high priority to the already hard-pressed building industry in order to fulfill housing needs. A number of different social insurance and welfare measures have been adopted and others are contemplated to satisfy the demands in terms of communal rather than individual services. A completely integrated system is now contemplated in the Bills in Parliament. But the pressure for higher standards continues, as is evidenced by the wider use of automobiles in lower income families (the number owned in the Netherlands increased from 138,621 in 1950 to 1.5 million in 1966). Various other indices can be found, i.e. the expansion of fuel consumption through the employment of natural gas.

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[1] H. Reinoud, " The Evolution of Job Structure in Europe and North America ", paper read at the European Conference on Manpower Aspects of Automaiton and Technical Change, Zurich, February 1966.

The Examiners note with interest a survey of metal workers carried out by the Netherlands Foundation of Statistics in 1965. It was found that the manual and younger clerical workers were quite intent upon bringing pressure for better wages and earnings. This item was given priority over the shorter working week.

I. CURRENT WAGE PRESSURES

The national authorities have maintained a continuing surveillance of the economy during recent years and employed price and wage controls and fiscal and monetary tools to restrain cost and price increases and to assure a favourable balance of payments. But in the year 1963 the strains in the labour market were so intense and the desire of employers and unions for the relaxation of controls was so great, that a veritable explosion occurred, producing a 16 per cent increase in wages. In the following year the rise was 11 per cent and in 1965, 13.6 per cent. "Black wages", payments over and above the legal maximum wage, dropped from about 7 per cent of the relevant wage bill in 1963, probably as a result of the wage increases in that year, to 3.5 per cent in 1964 and have persisted at this level, reflecting the continuing strain in the labour market in certain critical areas of expansion and the employee's strong bargaining position[1]. The Manpower Authorities are therefore confronted with the challenge of advising on the methods by which manpower policies may contribute to the lessening of the pressures stemming from high aggregate demand and structural changes.

J. THE CURRENT SET OF PRIORITIES

The evolution of the Netherlands into an industrial nation with a high growth rate, increasing manpower productivity, rising standards of living, full employment, and a tight labour market, should lead to a shift in emphasis in domestic manpower and social policy. Past programmes had evolved out of the public commitment, established in the twenties and thirties, to assure the care and employment of the able bodied. After the war, the country adopted national economic policies to prevent future unemployment. Having succeeded handsomely in achieving this goal, the accent moved to the maintenance of conditions favourable to these trends, and the promotion of economic growth. One major tool for achieving these ends is an active manpower programme to assure optimum productive use of the manpower resources.

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[1] **OECD Economic Survey of the Netherlands 1965-1966, OECD, Paris, 1966.**

The present setting calls for a new set of priorities but not the abandonment of existing programmes, machinery and tools. The latter should be maintained, but the resources and energies devoted to them should be reduced and in part shifted to those demanding more immediate attention. The very essence of the effective administration of an active manpower policy is the continuing availability of alternative programmes and tools to be applied or expanded as needs arise. The maintenance of these tools in a standby or limited form is particularly pertinent to the Netherlands' economy, as its experience with full employment is very recent and its economy so dependent on international trade. Moreover, the government's social commitments for full employment and its basic responsibility of always being the employer in the last resort are so deeply rooted that it must be prepared to accept this responsibility at any moment.

However, the maintenance and contracted scope of operation of the programmes for the prevention of unemployment carry the concurrent obligation to develop the appropriate programmes, machinery, and tools for the new era of economic growth, optimum employment of human resources and rising living standards. An active manpower programme can be particularly useful for this purpose.

The major priorities at present stand out clearly. Foremost is the recruitment of the required labour force. The realisation of this goal becomes particularly difficult at a time when many social policies and practices, such as prolonged education and early marriage, are actually reducing the current inflow into the labour market. Recruitment also implies the shift of people from lower productivity and earnings occupations and industries to higher ones to assure more adequate use of manpower and rising standards of living.

Equally important is the need to upgrade the quality of the labour force, as the new industrial system and urban society make such active demands for greater intellectual preparation of broad and higher technical and social knowledge. If necessary, continued abstention from the labour force or absence from work for periods should be arranged to assure the appropriate education and training. A correlative to upgrading is the programme for the adjustment of people to the newer occupations and society. These programmes will lead generally to higher individual and national income.

Third, the organisation of the labour market must aid actively both employees and employers to effect these adjustments or relocation, to secure optimum productive employment of human resources. The personnel of the Employment Office must be able to serve as active intermediaries, suggesting and guiding transfers and adaptations rather than awaiting requests for guidance and relocation or recruitment.

Fourth, economic protection for the employee and his dependants during job shifts must be adequate enough to sustain his human and potential economic quality; the facilities for such adjustment, over and above occupational retraining, should also be aimed at constant upgrading or, at a minimum, maintenance of work capacity. Finally, in a society where economic growth, full employment, and rising living standards have such high priorities, the government has not only to continue to promote policies which best achieve these economic ends, but also to provide the opportunities for employment of those who remain unabsorbed and unplaced in the regular labour market.

The shift in priorities in the active manpower policy is, therefore, from the care of the unemployed and prevention of unemployment, to assuring competent and adequate manpower resources for the economy, particularly for the growth sectors, so that the nation's economic and social goals may be more fully realised.

Chapter II

RECRUITMENT OF LABOUR FOR THE ECONOMY

Full employment in the Netherlands has changed the labour market. The labour force has grown rapidly, the reserve has contracted, and a very high job vacancy rate exists. The tightness of the labour market is further evidenced by the considerable labour turnover which persists, despite the official restraints on separations. In face of this stringency, the most pressing issue is : where and how can these additional resources be recruited in harmony with current social values and the demand for rising productivity and income per capita ? This discussion will concern itself with current policies and practices in respect of individual groups which may provide additional manpower resources, in order to evaluate their appropriateness and effectiveness relative to the Examiners' view of the current priority for building up the labour supply for a growth economy.

A. DEGREE OF LABOUR STRINGENCY

During the period 1960-1965, employment grew at the annual rate of 1.6 per cent, in contrast with the increase of 1.1 from 1950-1955 and 0.7 per cent in 1955-1960. Current estimates point to an annual rate of 1.2 per cent in the period 1965-1970 on the basis of past recruitment practices.

Unemployment has since 1961 largely been reduced to a marginal and frictional character. The largest group of unemployed is the hard-to-place group (39 per cent of the unemployed in 1964) ; seasonal and structural unemployment accounted for 19 and 11 per cent respectively of the unemployed. The unemployed who lost time through frictional difficulties in not being immediately absorbed amounted to 31 per cent. The labour reserves are therefore very limited — only 33,000 were registered at the end of 1965.

On the other hand, there were 139,000 registered vacancies at the end of 1965. The number has been moving upward steadily since 1958, from less than 1 per cent of the employed labour force to 2.7 per cent in 1964 and 3.2 per cent in 1965. Moreover, as the vacancy rates have risen, there is increasing evidence of its spread to all grades of skill and all kinds of occupations, unlike earlier periods when shortages predominated in the skilled occupations. The relative rates of vacancies for male workers are highest among the manual workers such as those in the metal, timber and building trades (the vacancy rates in 1964 were 6.1, 5.7 and 4.4 per cent respectively). For females, the number of vacancies was particularly great among hairdressers, tailors and salesgirls (14.9, 5.6 and 3.8 per cent respectively). As would be expected, the shortages were greatest in the most active occupations and areas, i.e. metal and construction industries on the one hand, and in the western or Randstad area on the other. The registered demand for labour was also high in the clothing industry because labour was drawn to the service sector. Large demands for manpower are reported for jobs where the educational requirements are low, in some instances awaiting the introduction of labour-saving processes, equipment and methods.

The restlessness in the labour market is further evidenced by the high rate of labour turnover in industry. The annual percentage of male workers separating from employment in industry as a whole is 56 per cent, and for women workers 30 per cent ; for non-manual employees it is 12 per cent for males and 30 per cent for women. The rate of voluntary separations is apparently equal for both sexes, representing 60 per cent of separation for workers and 40 per cent for non-manual employees. On the whole, additions to the payroll are about sufficient to maintain the number of workers in the labour force, but tend to lag behind separations for non-manual employees, leaving a deficit.

Suggestions that the demand for additional human resources be met by higher productivity are irrefutable to the extent that this approach is feasible. Many forces are working in this direction : the shift to capital-intensive industries, the substitution of new labour-saving machinery and processes for older-ones, and the application of more effective management and operating techniques. The new interest in management training and upgrading will do much to advance the effective use of resources. However, the limitations on construction of new plant sites are a restraint on this movement. No national survey has been made of the degree of labour hoarding, so that no estimate can be made of the effect which efficient use of labour might have on relieving the tension on the labour market.

Current estimates place the annual rise in output per employed person at 4.6 per cent in 1950-55, 3.5 per cent from 1955 to 1960, 3.0 per cent from 1960 to 1965 (including the effect of the shorter working week), and 3.4 per cent for 1965 to 1970. In the year 1964, the rise was 7.8 per cent, and 5.4 per cent in 1965. These developments will help the economy's competitive position, but will hardly be sufficient to eliminate the need for great labour resources.

Finally, the population will, it is estimated, rise by 7.1 per cent from 1965 to 1970, but the population of working age will increase by 6.2 per cent, and the active population (assuming a decline in the total participation rate of people of working ages, from 61.8 per cent in 1965 to 61.4 per cent in 1970) by 6.0 per cent.

B. RECRUITING NEW RESOURCES OF LABOUR FOR THE GROWTH INDUSTRIES

The Netherlands can call upon a number of kinds of labour reserves to supply the growth industries with manpower and overcome the labour stringency. Some movements of these groups into the labour force are occurring spontaneously, others are supported and guided by governmental policy and services. Still other reserves have not yet been tapped in a deliberate manner because public policy has not clearly formulated its support for such efforts.

1. AGRICULTURAL LABOUR RESERVE

The movement from agricultural to non-agricultural occupations has for the most part been spontaneous, except that, as previously noted, government policy has in recent years stimulated the abandonment or sale of farms by guidance and more recently by termination payments. Actually these programmes only directly affect the heads of farms and working members of families : this category has hitherto constituted about 10 per cent of the annual exodus from agriculture of approximately 12,500 active persons. About 60 per cent of out-migration has consisted of hired farm workers and another 30 per cent of members of families. The former group has been attracted by higher wages and better working standards in non-agricultural employments, and the latter stimulated to change by the restricted opportunities for working small family farms.

The Netherlands authorities estimate that out-migration from agriculture supplied 123,000 new members of the work force during the period 1948-62 or about 13 per cent of the growth of the work force. Estimates for the future indicate that the annual magnitude of out-migration will decline, possibly to one half of the previous level, and that the greatest displacement will occur among farmers and their children, as the loss of hired workmen to date has probably reduced their absolute level somewhat close to that at which it will remain. This important source of new manpower is therefore drying up and the economy will have to look to other sources for the expansion of its non-agricultural labour force.

The present programmes operated by the Ministries of Agriculture and Social Welfare, in which the Ministry of Social Affairs provides an essential service through vocational guidance and adult retraining and placement, are likely to provide an adequate framework for the further recruitment of people in this group. The question of improvements in the methods of upgrading the competences of the transferees will be discussed later.

2. RETAIL AND SMALL CRAFT INDUSTRY

Another potential source of manpower is the 300,000 small retail and craft businesses, for about one-third of these operators earn less than the legal minimum wage. At present, there are an average of 2,000 closings annually. About 50 per cent of these terminations occur because of illness and old age : 20 per cent because the owners transfer to other employment, and the remainder because of slum clearance, bankruptcy, emigration or other reasons.

As noted, a new programme to increase the efficiency of retail operations is to be inaugurated this year. Provision is also made for termination payments to induce retailers and small shop-owners to retire if they are unable to continue running their businesses efficiently and profitably. The growth of supermarkets and other forms of self-service retail enterprises will cause further displacements. The experience with the new programme should be carefully watched, both in the interest of promoting greater efficiency in the retail industry and among small shops, and of facilitating the out-migration to other employment of those who cannot successfully operate these enterprises. Greater liberalisation of the scheme would probably be of interest to both the individuals and the national economy. It is unlikely because of the age and occupation experience that many of these persons will be easily recruited for dependent employment, therefore a more deliberate programme of general and vocational guidance should, the Examiners *urge,* be associated with the payment of termination grants to secure the maximum number of persons for new employments.

3. WOMEN

A third, and potentially the most significant source of manpower for the expanding sectors, is women not at present in the labour force. There are now 27 per cent of the women from 15 to 65 years of age in the labour force compared with 35 to 55 per cent in other industrial countries. Female employment in the sectors other than agriculture and domestic service expanded from 240,000 in 1947 to 412,000 in 1960. But the overall participation rate for women has been slipping because of the shrinkage in employment in agriculture and domestic service where women, particularly married women, constitute an important segment. An increase in the current low ratio to one nearer the level prevailing in other OECD countries, would result in the recruitment of tens of thousands of new persons and thereby relieve the overall labour shortages, now estimated at over 120,000, of which 40,000 are now clearly identified as female employments. The possibilities of effecting a larger recruitment of labour from this group must, therefore, command the most careful and immediate attention.

The demand for women in the labour market is reflected in the high female vacancy rate which for 1964 was 6.5 per cent, or almost double the male rate of 3.6 per cent. For some jobs the vacancy rates are extremely high, namely, 20 per cent for seamstresses, 17 per cent for domestic servants, 15 per cent for stitchers, 14 per cent for female clerks. Labour scarcities continue to be pronounced in traditional female occupations such as nursing, teaching, hospital work, home care and retail trade.

The problem inherent in the further recruitment of these persons can best be viewed by comparing the participation rate of single and divorced women with that of married women. The participation rate of the former rose from 55 per cent in 1947 to 58 per cent in 1960. However, the proportion of single and divorced women in the total female population of working age has fallen from 35 per cent in 1947 to 29 per cent in 1964 because of the younger population and early marriage. The main labour potential among this group is to be found in the older age groups, 40 to 64 years.

The techniques for raising the participation rates of single and divorced women consist of education and training, promotion of the practice, and attractive terms of employment. Some older women require special assistance to regain their confidence and former skills or to acquire new ones which would facilitate their placement. The Examiners *believe* that the training centres should assume the latter responsibility for aiding older women gain the qualifications for placement in productive jobs.

Even so, the principal labour reserves are to be found among married women. Their participation rate has dropped from 10 per cent in 1947 to 7 per cent in 1960, largely because of the contraction of employment in agriculture and small shops. The proportion of married women working outside home has expanded from 2 per cent in 1947 to 4.2 per cent in 1960, but it is obviously small. The increased participation of this group presents complex problems of changing individual and social attitudes and overcoming resistances, as well as arranging facilities and services to meet the group's special needs.

Several facts must be kept in mind when considering possible programmes for the recruitment of married women. Firstly, seven out of ten married women working at present have no dependent children ; therefore, the problems of adequate childcare must be central in all future recruitment efforts aimed at tapping the labour reserve of married women. Secondly, the participation rate of married women is highest among low income families (6.2 per cent for families with less than 3,750 fls. per year as compared with 3.8 per cent for those with over 7,500 per year). At all income levels, married women with dependent children participate much less than those without children. Thirdly, the participation rate ranges from 21 per cent of all women with primary education to 50 per cent for those with university education. Finally, married women with children would usually prefer part-time work.

The potential for further recruitment among women with family responsibilities was studied by the Institute of Psychological and Motivation Research in 1964, which inquired about their attitudes to employment outside the home. The survey found that 21 per cent of the group were working ; 5 per cent were going to look for work in the future ; another 28 per cent were positively inclined to work outside the home and were in a position to do so. The remainder were unable or unwilling to do so. The negative attitudes toward work were more significant deterrents to an interest in employment than the practical difficulties which it would present. It is possible, therefore, that if the attitudes became more positive, the proportion of women with family responsibilities who could be recruited might well rise. But this group is still thinking primarily of part-time work. Current estimates place the possible net increase of labour participation of married women at 50,000 man years or 1.5 per cent of the labour force. However, additional community facilities and child-care might produce a greater total.

The measures which have to be considered in the expansion of the number of women willing to work and of jobs for them would include the following practical steps :

1. promotion, by education of the general community, of the acceptability of work by married women when they desire it ;
2. arrangement of part-time employment schedules where necessary ;
3. removal of occupational barriers and prejudices against the employment of women ; improved, attractive surroundings, training in the principles of the successful employment of women ;
4. the rearrangement of job duties to allow older women to be recruited as aides in occupations where certificates of prolonged schooling are now required, for instance, nurses, teachers and home-care ;
5. promotion of the appropriate operating hours for community services to cater for the needs of working women ;
6. children's centres for supervised study and recreation both before and after school, school lunches ;
7. arrangement of appropriate transportation schedules to reduce loss of time in travel ; and

8. the appropriate improvement of schooling for girls to broaden their preparation for society and occupational activities.

The implementation of such programmes calls for great initiatives by the public authorities to win acceptance of the principles favouring the employment of married women and their practical application. Progress will no doubt be slow, but the rate of penetration would probably be cumulative and accelerate as experience is gained. The Examiners *recognise* that ultimately, the decision concerning the desirability of taking such jobs must be made by the individual woman and her family.

The Examiners *underscore* that adequate preparation of girls for active participation in the work community is essential for a long-term improvement in women's willingness to take up employment. No doubt their present lack of skills acts as a deterrent to such participation. The emphasis on domestic training in the primary schools leaves them unprepared. While the activity rate for women under 25 years of age is 61 per cent, their vocational preparation and training are primarily for commercial and some female employments. The curriculum in the primary and secondary schools should include more material about the work world. Vocational training for skilled occupations is particularly important to increase the employment opportunities for female workers in such occupations. Adult retraining programmes should also be re-examined to allow for the inclusion of women and certainly for older women entering the labour market.

Advances have already been made in some lines. Progress has been made in the primary education and vocational training fields. In 1960 the government granted an income tax exemption, in their joint statement, to husbands whose wives were working : one-third of the wife's income (minimum 500 guilders, maximum 2,000 guilders) is deductible as well as 240 guilders for her expenses. No ban exists on employment of married women in the civil service and schools. Marriage can no longer be considered as an acceptable justification for dismissal of a female employee under the Netherlands' law governing dismissals. The employment office has merged male and female placement divisions for individual industrial or occupational groups in the interest of efficient performance of its tasks. Private industry, schools and hospitals have undertaken experiments in special part-time work schedules to allow women with family responsibilities to accept such employment.

Resistance to a more liberal attitude toward the employment of women with family responsibilities comes from many sources. A frequent argument is the allegation that it might have adverse effects on the family. The decision in these matters is one to be made by the individual family itself. It is clear that adequate community and school facilities would greatly reduce these risks and would moreover be desirable for those women who now wish, or are forced by economic circumstances, to take up employment.

Employers have displayed many different attitudes and concerns about engaging married women. It appears that there are few practical problems as regards full-time employment in established occupations. The issue arises from the need to adopt shorter work schedules to attract this group. Moreover the problems of special direct and social benefit costs are frequently mentioned, but these must tend to be of marginal importance.

The immediate problem, therefore, is to win the community support for governmental action and specific initiatives to facilitate the employment of married women desiring to work.

A change towards a more liberal attitude appears to be under way. One large trade union federation has declared itself in favour of women entering the labour force as a matter of national economic necessity. Other trade union centres have relaxed their suspicions, caution and opposition. Some members of the sub-committee of the Social and Economic Council considering this problem have shown considerable support for innovations and initiatives in the direction of further liberalisation of policy and practice.

The Examiners *recognise* that the government itself is fully alert to the issues and they are *convinced* that the further expansion of the employment of women would do much to relieve tension in the labour market. More governmental initiatives are essential to assure women with family responsibilities a real opportunity to choose employment if they desire it.

4. FOREIGN LABOUR

The country has, to a modest but increasing extent, turned to foreign labour to fill its vacancies, providing 63,099 valid labour permits at the end of 1965, exclusive of the Luxemburgers and Belgians working in the Netherlands who do not require such permits. Together they constituted some 1.7 per cent of the working population. This ratio is rising but it is still below the level of neighbouring countries.

It is estimated that there are 80,000 foreign workers in the Netherlands at the present time, of which 19,000 come from Belgium and Luxemburg and 2,000 from Germany (FR); these are really commuters and therefore offset the 26,000 Dutchmen working in these countries. The remaining 59,000 consist of about 19,000 more or less permanent and 40,000 short-term international migrant workers. On the basis of the permits it is estimated that about 10 per cent are women. Currently the nationals with the largest number of permits are Spanish (16,528), followed by Italians (8,100), Turks (7,286), and Moroccans (5,497). They are employed in the low paid (catering, hotels, hospitals), less agreeable (metallurgy) or declining (shipbuilding, textiles, mining) occupations, women being largely concentrated in clothing, domestic service and trade. They are engaged principally as unskilled or at best semi-skilled persons with little education or vocational training.

The debate on national policy to recruit foreign manpower has been mounting in intensity. Immigration is for the most part a post-war phenomenon in the Netherlands, although in previous years foreigners were recruited for mining. Since 1960 foreign workers have come first from Italy and then from Spain, Greece, Turkey, Morocco and Portugal. The terms for immigration are governed by bilateral agreements. Italian immigration is also subject to the provisions for freedom of movement of labour established under the Common Market Treaty and regulations. To an increasing extent, as wages and benefits have improved, the direct employment of foreign workers has expanded, with the government providing working permits after recruitment by firms has taken place. Public policy has not, therefore, been restrictive. In 1964, only 124 permits were refused, largely for miscellaneous reasons.

The principal support for continued foreign labour recruitment comes from those who look upon these foreign labourers as temporary workers. They see foreign labour as a marginal addition to the work force to fill urgent needs at a relatively low cost, since they permit fulfilment of current orders and allow time for modernisation and the structural shifts of the nationals. Moreover, as these foreigners are usually single persons, the investment in additional social infrastructure and the adjustment and integration problems are kept to a minimum. Furthermore, the emphasis by foreign workers on savings rather than consumption expenditure minimises the inflationary impact of their income. The labour supply helps to relieve the pressures of the wage level which would be even greater had the tension on the labour market been more intense.

There is no unified body of opinion for promoting the permanent integration of the group into the population, although as the number of foreign workers, and particularly those with families, is increasing, the number of permanent residents is rising. The growing debate respecting the propriety of maintaining the present and higher levels of foreign labour in the future, may be due to recognition that reliance on foreign manpower may make an industry dependent on this labour, and therefore cause rising demands for investments in social infrastructure in a country where land is limited, population density high, and the backlog for amenities for the national population (particularly in housing) still considerable. The continued recruitment of foreign labour, it is feared by some, will delay needed structural and managerial changes which would handicap enterprises and the country in international competition. Moreover the closing of mines and the further shrinkage of the textile industry will reduce the demands for labour in these areas ; further mechanisation of the construction industry, and improved wage and job conditions with expanded mechanisation in the key job areas where foreign labour congregates, will also contract the demands for foreign labour, so plans for continued expansion of their numbers do not appear urgent. The longer foreign labour remains in the country, the more fully do they tend to adopt the attitudes of nationals and abandon the types of jobs for which they have been recruited[1].

Employment policies concerning foreign workers based on short-run considerations are being increasingly challenged in both the immigration and emigration countries, as the former face the problems of rising needs and numbers of permanent foreign workers and the latter press on with their own industrial development and reflect on the advantages and disadvantages of the terms of the present bilateral agreements.

The Examiners *believe* that the great need in the Netherlands is, therefore, to undertake a thorough examination of these long-term policy considerations. It can no longer be assumed that continued increases in foreign workers merely supply a solution to temporary bottlenecks ; the influx of foreign labour must to a great extent be considered in terms of the political, human and economic obligations to the immigrants and the emigrating countries.

5. DISADVANTAGED GROUPS

In every community groups exist which have generally had difficulties in being placed. Established government and public policies and attitudes in the Netherlands have promoted the employment of these groups, thereby assuring a high ratio of their participation in the labour market. The problems arising in connection with the policies respecting the re-employment of long-term unemployed, the handicapped (both physically and mentally), discharged prisoners and older workers, are therefore largely questions of the adequacy of current programmes and techniques with respect both to the improvement of the individual's qualifications and his placement in active employment in the regular labour market. These will be reviewed in the sections on social adjustment and the operation of the labour market organisation.

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[1] P. van Berkel, Spanningen Op De Arbeidsmarkt, Groningen 1965.

One group does bear review at this point — namely, the older worker. In the present tight labour market, many older workers are employed, but a full-scale programme to encourage their most productive utilisation has not yet been developed. The importance of this group is illustrated by the fact that in February 1966, 27 per cent of the registered male unemployed were 50 years old and over and 20 per cent of this group had been unemployed for a year or longer. Older workers tended to be in great numbers in the declining industries and occupations, requiring few skills or training.

An exploratory review of the problems of this group was prepared by Dr. J.M.A. Mummichs of the Committee of Productivity of the Social and Economic Council[1]. He reports that employers are reluctant to engage people fifty years of age and over. However, the report is largely an invitation to further analysis and research, as the problem has received little prior attention. People had assumed that the employment of older workers would take care of itself in a full employment economy, but the facts cannot bear out this hope. Frequent reference is made in this study to the OECD report ; it would therefore appear to the Examiners that an action programme under government sponsorship to implement the conclusions of the OECD Manpower and Social Affairs Committee on the "Employment of Older Workers" would be appropriate.

6. SHIFT FROM LOW PRODUCTIVITY EMPLOYMENTS

The policies pursued in the agricultural and small retail shop industries to facilitate the exodus of people from these industries were prompted by the desire to improve the effectiveness of the entire sector. The closure of the state-owned mines is a patent recognition of the lack of competitiveness of this industry. The difficulties in ship-building and textiles spell further difficulties for workers in these trades.

There are also other industries in which the economic potential for improvement is limited or which require large-scale investments to be made competitive. No doubt the national medium-term economic plan will evaluate the future of the latter industries and employments. Their decreasing attractiveness will discourage Dutch workers from taking an active interest in these employments. The Examiners *believe* that the Employment Service can support the continued expansion of the highly productive growth sectors by advising job seekers of the facts about low productivity employments in the course of their occupational guidance.

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[1] Dr. J. M. A. Mummichs, Older Workers, A Survey. Commissie Opvoering Produktiviteit/SER 1966, p. 76.

The Netherlands' Authorities recognise the appropriateness of providing information on the economic outlook for the occupation but, as a matter of principle, do not seek to influence the job-seeker's choice.

7. Emigration Movements

Losses in the active population occur through the out-migration of members of the labour force. One group consists of Dutch men and women who live in Holland and who work in Belgium and Germany. At the end of 1964 they numbered 2,246 and 23,904 respectively. The equalisation of wage and benefit levels has reduced the attraction of migration, though it is sometimes more desirable for individuals to take up such employment in view of locations and type of employment.

A second group are emigrants who are currently going primarily to Australia, Canada, the United States, South Africa, New Zealand and Brazil. This programme receives governmental, financial and political support and active encouragement from time to time. It was inspired by conditions in the early post-war years (though the programme has its origins in the early thirties) when it was feared that the country could not cope with the rapidly growing population. As a result, the numbers of emigrants rose from 7,000 in 1947 to a peak of 48,690 in 1952. In the latter year the Emigration Act set up a formal organisation on emigration and provided for a system of supervision which is currently under the aegis of the Directorate of International Affairs of the Ministry of Social Affairs. The government now provides subsidies to emigrants, and the Employment Service, together with the many private organisations, provides information, gives advice and assists in the preparation of the emigrants, and finally offers them counsel in the receiving country.

At the same time as employment opportunities in the Netherlands improved, the number of emigrants dropped to 6,786 in 1963 (2,094 single persons and 1,413 families), 8,152 persons in 1964 (2,647 single and 1,620 families), and 8,679 persons in 1964 (2,937 single and 1,657 families). About half of the emigrants reported their previous occupations, three-quarters registered as office workers, metal craftsmen, shop-owners and salesmen, miscellaneous professions, nurses and paramedical practitioners, domestic help or hotel workers, agricultural workers, teachers and clergymen. Some of these were shortage occupations in the country.

The net governmental cost for the programme for transport, embarkation and additional charges has in recent years run to about 4.5 million guilders. In addition there were the administrative costs both at home and abroad. The present full-time personnel reflects a sharp reduction from the previous level.

This organisation programme is justified as being necessary to maintain relations and contacts with the immigrating countries, bearing in mind the possibility that large-scale emigration may be necessary in future.

With the decline in the volume of emigration and the likelihood that it will not rise in the future in view of the growing job opportunities within the country, the Examiners *believe* that payments of subsidies to facilitate these movements might properly be dropped. The maintenance of a system of contacts with emigrants in foreign countries is sound national policy but active encouragement through subsidies appears questionable. The Examiners *suggest* a more flexible arrangement whereby the subsidy programme is re-established in times of labour surplus and dropped in periods of labour stringency. The movements in the latter case will then be determined completely by individual choice and desire rather than by specific subsidy. On the other hand the Netherlands' authorities take the position that complete freedom of choice in immigration is not possible without a system of subsidy.

C. ASSESSMENT BY THE EXAMINERS

An active manpower policy envisages careful analysis of the human resources and their productive utilisation by the national Manpower Authorities. During periods of full employment and labour market stringency it has to appraise the adequacy of the numbers and the deployment of resources. A number of economic policies and developments are accelerating the exodus of people from less productive sectors and divisions. But the Manpower Authorities have to organise studies for and consider the whole gamut of policies conducive to the more productive utilisation of human resources. They have hitherto primarily responded to general economic policies and ad hoc programmes to care for labour displacements. As a minimum the authorities should anticipate these developments with plans such as are being developed for the miners in the Limburg area, and consider taking more initiative in other declining or less productive sectors and divisions.

In the recruitment of new labour resources, the Netherlands policies and programmes for the fullest placement of the disadvantaged rank among the most active and developed. More concerted programmes are necessary for encouragement of the employment of older workers.

The areas of further recruitment of manpower resources requiring study, careful planning and deliberate policy decisions relate to foreign labour and women, particularly those with family responsibilities. As for foreign labour, the reliance on a growing number of temporary international migrants must be called into question. The Netherlands as a receiving nation has to define more fully its responsibilities to those who wish to remain on a permanent basis and complementary obligations to the emigrating countries. The latter, in the course of industrialisation, are seeking the return of more of their own citizens and ask for greater assistance from the immigrating countries in training and preparation of the work force prior to their return. Reliance on foreign labour to meet temporary labour shortages is no longer in itself an adequate policy to follow.

The largest untapped domestic human resource for employment is women. The country is slowly accepting the pattern which prevails in other countries for women to participate actively in industrial life. To obtain greater participation of women, the Netherlands government would have to promote more deliberately programmes designed to assist them to carry their plural responsibilities with less strain through proper organisation of work schedules, conditions of employment and appropriate community services.

Chapter III

ASSURING THE APPROPRIATE QUALITY OF LABOUR FORCE

A. INTRODUCTION

As urban and rural life and the industrial system become more complex and sophisticated, increased emphasis is being placed on cognitive and intellectual skills rather than on manipulative or manual ones. Adequately educated and trained manpower resources become necessary to support future advances in the levels of industrialisation and complexity of the social organisations which are part of the process of economic growth. The Netherlands has entered this new industrial era and needs a well prepared labour force.

Primary education, including literacy, the ability to adapt to the disciplines of an industrial enterprise, and manual skills, is sought in developing countries or where a high division of labour permits persons of limited education and training to perform specialised tasks. But in advanced industrial countries, managements call for people ready to assume responsible positions in organisations with decentralised decision-making centres in which communication is conducted by detailed written or coded specification and specialised technical and mathematical languages. The minders of advanced machinery in industry should be highly self-reliant and responsible and should have enjoyed secondary or more advanced education. More persons with technical and advanced university training and more professionals are currently needed for the varied work of the advanced urban society.

The present Chapter evaluates the educational and training systems in the Netherlands as they relate to the present and future work population. It will review their structures and contents and the quality of the resulting manpower resources in terms of the nation's economic and social development. It will then consider the system of social adjustment for groups and individuals who are at present not fully adapted to or productive at prevailing norms.

B. EDUCATION AND TRAINING

1. General Education

The Netherlands educational system is highly selective and work-oriented and it provides for relatively fixed streams. It calls for eight years of compulsory schooling beginning at the age of six years and six months and continuing to the age of fourteen years and six months, but employment cannot begin until fifteen years. About 94 per cent of an age cohort complete the six years primary school and 4 per cent get special education, such as that for the handicapped and the children of boatmen on inland waterways. Some 90 per cent enter the first grade of a secondary general, technical or vocational full-time school, but 65 per cent of an age cohort continue their education beyond the compulsory eight years, and one-half complete some kind of secondary education, be it general or vocational. The entries into university education constitute 4 per cent of eighteen year olds.

The high rate of wastage in higher levels of education is reflected in the following 1960 figures : 56 per cent of the active population had no more than a primary level of education ; 33.5 per cent a lower secondary ; 7.1 per cent a higher secondary education ; only 3.5 per cent of the active population had post-secondary and university level schooling. The situation has since improved with a higher proportion having more than primary level education.

Besides being highly selective, the secondary school system is work-oriented. In its definition of goals, it specifically lists the objective of "providing society and the economy with the trained manpower resources required for optimum function", and providing the students with "a large and increasing capacity... to adjust themselves to the career and work changes demanded by modern technology", in addition to developing the students' "positive, moral and civic virtues, cultural attitudes and skills for self-fulfilment". To achieve these ends the general education secondary system has sharply segregated streams for full-time education, particularly for boys, each leading to specific technical and vocational schools (Table III).

The age for the selection of students for the secondary schools has been twelve years, but, with the introduction of a transition year, it is now at thirteen years that the educational future is really determined. Thereafter, horizontal mobility among schools is very slight. The new system, based on the Post-Primary School Law of 1963, hopes to improve the possibilities for such mobility by providing closer similarity in curricula among lower level schools and ultimately by organising comprehensive secondary schools including programmes of two or more streams and more guidance for secondary students. But at present the streams are rigidly segregated.

The curriculum for the two lowest levels of secondary schools still provides limited general education. The desire for greater general education is to be found in the widespread attempts of parents to try to enroll their children in the more academic schools.

Formal educational planning for manpower purposes has hitherto been very limited. Studies of needs have been largely the responsibility of the Ministries of Economics and Education which have stressed occupations requiring long training periods, such as medicine, engineering and grammar school teaching. Actually, the educational authorities are not convinced that "forecasts of shortages and surpluses for jobs requiring only short training periods are necessary, as employers react rapidly enough (to demand) to arrive in a relatively short time at a new balance between supply and demand". But this judgment overlooks the need of defining and providing the education and training needed to maintain such flexibility. Therefore, educational planning should carefully define job groupings, estimate their educational requirements, and the needs for assuring more rapid transferability to new job groupings than are provided now. This will probably mean longer periods of general education.

TABLE III. GENERAL EDUCATIONAL SECONDARY SCHOOLS IN THE NETHERLANDS

NORMAL TERMINAL AGE	OLD SYSTEM		NEW SYSTEM		RELATION TO TECHNICAL AND VOCATIONAL SCHOOLS
	NAME	INITIALS	NAME	INITIALS	
14.5 years	Complementary primary education	VGLO.	General Post-Primary Education at lower level.	LAVO.	Many transfer in course of study to lower Technical School (LTS).
15.5 and 16.5	Advanced primary education	ULO.	General Post-Primary Education at intermediate level.	MAVO.	Move to secondary or intermediate Technical School (UTS).
17.5-18.5	Modern Grammar School	HBS.	General Post-Primary Education at higher level.	HAVO.	Move to higher Technical School.
18.5 years	Gymnasium Lyceum	GYM. (Combines Gym and HBS).	Atheneum. Gymnasium (Lyceum).		University. University combines gym and Atheneum.

The Examiners *recommend* that the Manpower Authorities should study the type of education necessary to realise the goals of the Netherlands educational system respecting the work life preparation. Current information should be supplemented with studies on the educational preparation preferred for the expanding industries, particularly respecting the impact of further mechanisation and automation. Advice should be submitted to the Educational Authorities on the advance in the age for compulsory education to sixteen years and on a delay in the age of selection of students for specialised schools and technical and vocational training. To assist in achieving better preparation of youth for modern employment and occupational flexibility in adult work life, the Manpower Authorities should advise on the curriculum in such areas as knowledge of the economy and work life.

2. TECHNICAL AND VOCATIONAL EDUCATION

The stress on the preparation for work life for boys and home domestic life for girls has made secondary, technical and vocational schools an integral and respected part of the school system. In 1965 these schools numbered 3,263 with a population of 618,000 students, or 53 per cent of the students enrolled in secondary schools (Table IV). In 1964 students

TABLE IV. SUMMARY OF BASIC DATA ON EDUCATION, 1965

BRANCH OF EDUCATION	SCHOOLS	TEACHERS	PUPILS[1] NUMBERS x 100
1. *Primary Level :*			1,967.9
i) Nursery schools	5,322	13,557	457.1
ii) Ordinary primary	7,923	44,996	1,409.0
iii) Complementary schools and courses	356	1,670	39.0
iv) Special schools	675	4,708	62.8
2. *Secondary Level :*			1,130.5
i) Junior secondary schools	1,281	10,584	275.8
ii) Secondary grammar schools (gymnasia and HBS)	465	15,700[2]	211.3
iii) Part-time secondary general schools	173	—	25.5
iv) Teacher-training, nursery (1961)	54	—	11.4
v) Teacher-training, primary	98	—	28.3
vi) Technical and home economics education (including apprenticeship)	1,557	—	528.3
vii) Agricultural and horticultural schools	407	—	24.6
viii) Agricultural and horticultural courses (1964)	1,092	—	16.0
ix) Socio-pedagogic training	55	—	9.3
3. *Higher level*			
Universities	12	—	64.4
Total			3,162.8

1. Figures in 1964.
2. Estimate.
— No data available.
Source : Statistical Yearbook of the Netherlands.

in vocational and technical schools constituted 26 per cent of the secondary school population aged 12-14 years ; 45 per cent of those aged 15-17 years ; 75 per cent of those 18-20 years (Table V).

Boys who attend the complementary primary school receive some vocational preparation in the form of two periods per week of work in

TABLE V. PUPILS BY AGE AND COURSE ATTENDED AS A PERCENTAGE OF THE POPULATION OF THE AGE CONCERNED
1953-1964

TYPE OF EDUCATION	AGE GROUP						
	3-5	6	7-11	12-14	15-17	18-20	21 +
1. Full-time (total)							
1953	45.1	94.3	99.4	89.2	33.5	10.6	2.4
1961	52.4	97.9	99.8	93.8	48.6	16.0	3.5
1964	54.3	98.7	99.8	95.4	52.0	18.5	4.0
i) Nursery							
1953	45.1	23.4	—	—	—	—	—
1961	52.3	23.5	—	—	—	—	—
1964	54.3	25.1	—	—	—	—	—
ii) Primary							
1953	—	70.9	99.3	37.8	0.8	—	—
1961	—	74.5	99.7	26.3	0.7	—	—
1964	—	73.6	99.7	25.5	0.8	—	—
iii) Sec. general							
1953	—	—	0.1	33.9	18.1	2.7	0.0
1961	—	—	0.1	42.5	26.7	3.5	0.0
1964	—	—	0.1	43.5	28.3	4.1	0.0
iv) Sec. technical and vocational							
1953	—	—	—	17.5	14.5	6.9	0.9
1961	—	—	—	25.0	21.1	10.4	1.3
1964	—	—	—	26.4	22.7	11.9	1.5
v) University							
1953	—	—	—	—	0.1	1.0	1.5
1961	—	—	—	—	0.2	2.1	2.1
1964	—	—	—	—	0.2	2.4	2.5
2. *Part-time* (total)							
1953	—	—	—	2.3	12.5	8.8	4.1
1961	—	—	—	0.8	7.9	9.0	5.7
1964	—	—	—	0.3	5.7	7.3	5.9
i) Sec. vocational							
1953	—	—	—	2.1	10.5	7.6	3.9
1961	—	—	—	0.8	7.8	8.8	5.5
1964	—	—	—	0.3	5.6	7.0	5.7
ii) Other							
1953	—	—	—	0.2	2.0	1.2	0.2
1961	—	—	—	—	0.1	0.2	0.2
1964	—	—	—	—	0.1	0.2	0.2
Total (1 + 2)							
1953	45.1	94.3	99.4	91.5	46.0	19.4	6.5
1961	52.4	97.9	99.8	94.6	56.5	25.1	9.1
1964	54.3	98.3	99.8	95.7	57.6	25.7	9.9

Source : **Statistical Yearbook of the Netherlands, 1964/65. CBS.**

handicrafts ; girls attend two periods in needlework and two/three periods per week in domestic science. Thereafter technical and vocational schools provide this training, and the system parallels the general educational structure with four levels of schools. The greatest number of primary school graduates enter the Lower Technical School (LTS) for three or four years. At the LTS, one year of basic training is followed by craft training. The time devoted to general educational subjects declines from 50 per cent in the first year to 25 per cent in the third and fourth years, and practical work rises from 43 to 57 per cent of the school time. The general subjects include language, civics, history, geography, religion, general science, mathematics and physical education. The 325 LTS schools provide training for 140,000 students, and 43,000 graduate annually most of whom then take up their apprenticeships (Table VI).

Some graduates from the LTS, but primarily those from the advanced primary school (ULO), enter the secondary or intermediate technical schools (UTS), which essentially give a technician's preparatory course consisting of two years of school and one year supervised work. In 1965 they offered training in 38 engineering courses, the most important of which were mechanical civil construction. There are 57 such schools, 31 on a full-time basis, 4 on a part-time basis, and 22 combining both arrangements. The student body is some 9,000, with 1,200 annual graduates.

TABLE VI. SECONDARY SCHOOL LEAVING CERTIFICATES BY TYPE OF EDUCATION (1958-1964)

TYPE OF SCHOOL	1958	1960	1962	1964
1. Junior secondary schools	26,145	31,042	36,933	43,751
2. Secondary grammar (Gymnasium and HBS)	—	14,066	16,424	21,403
3. Junior technical schools :				
Full-time	22,357	25,317	28,957	30,817
Part-time	3,737	5,648	8,210	12,571
4. Senior technical and vocational schools	1,138	1,288	1,927	2,554
5. Apprenticeship scheme	11,851	13,335	16,245	20,626
6. Technical colleges	1,945	1,901	1,871	2,073
7. Technical-teacher training courses	397	454	574	603
8. Domestic science schools :				
Junior courses	33,075	41,648	48,737	48,998
Senior courses	4,750	5,725	6,353	8,647
9. Agricultural and horticultural schools	7,891	8,405	7,130	7,411
10. Commercial schools :				
Day	—	392	445	509
Evening	3,725	3,760	3,979	4,409

Source : Statistical Yearbook for the Netherlands, 1964/65. CBS.

Higher Technical Schools (HTS) recruit from lower technical schools and the Advanced Primary School (ULO) and also from the Higher Secondary School (HBS). They give a four-year course, one year of which is devoted to practical work in industry under school guidance for intermediate management positions. They offer 26 courses in engineering fields. Of the 23 schools, 11 are on a part-time and 12 on a full-time basis with a total registration of 11,000 students and 2,000 graduates annually. Above these schools are the universities and engineering institutions.

In addition there are comparable institutions for commercial education with 5,000 graduates each year; agricultural and horticultural schools with 7,500 graduates; domestic science and hotel and catering schools with 48,000; and technical teacher training courses with 603 (Table VI). For girls, there is limited vocational education at the technical schools in commerce, home economics and special female occupations. This instruction is not usually associated with practical work in an enterprise.

The ARBVO is co-operating in a study with the Committee on Planning Procedure established under the Act of 1963 to investigate the occupations in the commercial fields, to define the requirements for these jobs, and thereafter to draft an appropriate educational curriculum for this field which may provide a model for similar collaboration for other fields of general and vocational education.

The individual employers, therefore, carry on the practical job training in industry including apprenticeship (which will be discussed separately), the supervised job training for students of intermediate and higher technical schools, special job training for adults financed by the Government (except that conducted in government training centres), and job and promotional training. The first three training programmes are supervised, but little is known about the size, nature and quality of the others. They tend to be restricted to the larger organisations, some of which have special and effective training departments and facilities.

The Examiners *note* that the young people of 15 years and over are not generally in full- or part-time school and, therefore, not enrolled in a supervised training programme. Their general education has been limited and their technical education narrow. What additional vocational preparation they get comes from enterprise training activities. The Examiners *recommend* that, in view of the lack of information, a census be made of occupational and vocational training which is not financially aided by the government, so that more precise information can be obtained about its character and quality. Thereafter, the Manpower Authorities should reach conclusions respecting the adequacy and usefulness of the technological education in these schools and work places, particularly, but not exclusively, respecting the lower technical school level, and should consider the usefulness of a governmental on-the-job training advisory service for management, to help improve training methods in enterprises.

3. APPRENTICESHIP TRAINING

The most significant sources of skilled labour are the apprentices, of whom there are now some 70,000 under contract with 16,500 each year receiving certificates of completion[1]. The current age limit of 21 years for entry into apprenticeship is being raised to 27 years. The major substantive change in the philosophy of apprenticeship in recent years has been the increase of the amount of general schooling in the curriculum and its co-ordination with the practical work experience.

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[1] Cf. European Apprenticeship, CIRF Monograph, VI, N° 2. Effects of Educational, Social and Technical Development on Apprenticeship Training Practices in Eight Countries, ILO, Geneva, 1966, pp. 266.

The greatest number of annual recruits come from the Lower Technical Schools (30,000) while only a small group begin immediately after completion of primary school. The training programmes vary from two to five years depending on the individual boy's educational preparation and the craft for which he is being trained. Very few girls are enrolled as apprentices. All apprentices are required to complete a schedule of supplementary schooling, normally given at the LST on a day release basis. This provides general and cultural education and some simple basic technical knowledge ; usually the hours are equally divided between the two and constitute one-third of the total instructional time. Practical instruction is given in the work place.

The system is administered by 30 joint national employer-union technical training organisations, the largest of which are found in the metal and electro-technical industry (BEMETEL) and building trades (SVBO).

The actual programmes of instruction and their effective observance are supervised by inspectors from the Ministry of Education, which also appoints examiners and awards diplomas. Employers are reimbursed for operating expenses (60 guilders), while the tuition is 8 guilders, usually paid by the firm.

In appraising the apprenticeship system, we can turn to the OECD-CIRF study of 61 boys graduating from an LTS and a two-year apprenticeship in metal trades, which found that, five years after completion of schooling, 11 had left the metal industries and 26 were employed at lower than skilled worker level. A separate examination of 105 skilled employees indicated that 7 per cent of the very skilled and 21 per cent of the skilled and specialised had incomplete or no formal training. Most of the training in these plants was done by departmental supervisors[1]. The study reports that discussions with school and plant personnel confirm this high degree of wastage of graduates. At least 30 per cent are not rated as full craftsmen. However, there is a growing acceptance of apprenticeship as a method of worker-oriented education for the out-of-school population.

Many issues have been raised concerning the place of apprenticeship in an educational preparation for work life. Some are being answered in the Netherlands by extending the period of general education for all youth, and by providing broader cultural and technical education in schools for those embarked on practical occupations.

The first basic question is whether this increase of time for general and technical education should not be further extended in the light of the demands of the newer industrial trends ? The second question is whether the number of alternative crafts should be reduced to allow only for those which provide real possibilities for a wider range of later occupational choice ? As some employers are not able to provide systematic and expert apprenticeship and vocational training, the third question is whether instruction should not be restricted to organisations capable of providing good facilities and special teaching personnel ? If the craftsman is to enjoy the traditional opportunity of promotion to supervision, his education and training must prepare him for further training and advancement and for competition with graduates of higher technical schools.

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[1] The Training of Skilled Workers, Enquiry by CIRF/ILO, Paris, OECD, 1965, p. 21.

The Examiners *recommend* that the Manpower Authorities should conduct studies and enquiries and should follow developments in the labour market in order to advise on the answers to the above questions.

4. ADULT RETRAINING

The programme for adult retraining was created to help the unemployed, but it has been broadened to provide training for repatriates and outmigrants from agriculture. At present it is a modest effort consisting of 25 training centres with 2,600 trainees and a capacity for 5,000 persons. No women participate in this programme. It concentrates on training for the metal industry (13 courses) and building trades (8 courses).

It is not a broad retraining programme ; adult retraining still remains the responsibility of industry itself. The preparation is for the semi-skilled job level with the period ranging from 14 to 57 weeks depending on the person and trade. The entrance requirements for these programmes are quite rigid, both as to intellectual and physical characteristics, with an upper age limit of 50 years. Most trainees are under thirty years. Its method of training allows for individual instruction based upon a progressive series of lessons which allow the student to master each step separately and learn by actual practice as the working speed is gradually increased. The training is free and the trainee is paid for loss of wages (with a special bonus for building industry trainees), given a rent allowance, and reimbursed for travelling expenses and for board and lodging[1].

The Ministry of Social Affairs also grants allowances to employers who train adults in semi-skilled occupations for which facilities are not available at the centres. In 1965 the total number who started training was 274, and of these 33 were disabled ; and the number who completed training in that year was 293.

The Netherlands Authorities report that, in the present tight labour market, workers find new employment opportunities at attractive wage levels and thus do not participate in training programmes at these centres. At present there is unused capacity for retraining at these centres.

The present programme can hardly provide for the retraining needs of those made redundant or threatened with redundancy in a technically changing society. The Examiners therefore *recommend* an expansion of the number and capacity of these adult training centres, an enlargement of work programmes to meet the growing needs of displaced persons, and the removal of upper age limits to serve better the hard-to-place and older worker groups, who particularly need aid, and women re-entering the labour market. Admittance tests should also be more flexible.

5. TRAINING OF MENTALLY AND PHYSICALLY HANDICAPPED

The number of handicapped persons has not been ascertained by a census or sample survey. It is estimated as consisting of 400,000 persons of whom about 240,000 are of working age. The rate of participation in the labour market is not known, but a disproportionate number are not employed in the open labour market. At the end of 1965, 6,473 handicapped persons registered with the employment service were immediately employable, and 8,425 were not immediately employable. Of the latter, 6,083 were either in sheltered employment or securing benefits from the sickness insurance and would be employable on recovery. In all, 284 were being retrained, of whom 101 were in the centres for vocational training for adults, 138 were taking theoretical courses and 45 receiving allowances for training in other organisations. The cost of training unemployed handicapped persons is financed by central government. This system for retraining has proved most productive and the Examiners *commend* this activity.

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[1] Cf. Victor Martin, Accelerated Vocational Training for Adults, OECD, Paris, 1965, pp. 114.

C. SOCIAL ADJUSTMENT AND DEVELOPMENT

The Netherlands provides extensive services for the social adjustment of individuals unable to perform normally in the community or in industry, thereby to establish them, if possible, as fully productive employees. The individuals can be grouped as follows :

1. migrants unable to adjust themselves easily or not received by their new communities, including rural out-migrants, foreign labour and repatriates ;
2. those who need guidance and assistance, including aids toward socialisation to establish or re-establish themselves in the community or industry ;
3. those who face prejudice or other barriers to using community facilities ;
4. those for whom special opportunities have to be created to secure socialisation or productive participation ; and
5. those unable to be placed in the normal labour market and for whom social employment has to be provided.

1. EFFLUX FROM AGRICULTURE

As indicated, there is a considerable movement of the agricultural and rural population into urban communities and industrial employment. Spontaneous movement is reinforced by rural, social and economic guidance plans which promote and aid individuals to leave agriculture. The Social Guidance Plan concentrates on extensive educational efforts to secure local group understanding and acceptance of the need for change. Such programmes are based on local studies and are carried on over a period of years.

As indicated, many farmers with small holdings do leave the land. They are increasingly assisted in finding new employment by the Employment Service which also arranges, where necessary, for their retraining in the building and metal trades.

While the social and cultural distance between rural and urban people has been declining, many problems still arise and individuals do require assistance. The large number of social services available help smooth this process of integration, thereby reducing the number of unsuccessful migrants who eventually return to their old communities. Special attention is paid in these programmes to young people. Many receiving communities and enterprises assist these people in their adjustment.

a) *Community Activities*

Recreation and reception centres for rural young people have been established in a number of cities. They provide temporary lodging, meals and recreation and they help find rooms in the community. Social workers in other bureaux also receive, escort and aid migrants, particularly families, in finding accommodation and in making contacts with churches and other organisations. Welcome evenings are organised for new residents in some communities in order to furnish information on social and church life and on leisure time activities. The established social agencies are particularly alert to the individual person or family that continues to have problems.

b) *Industry Programmes*

Managements of several companies have special programmes of adjustment for rural recruits in order to promote productivity and reduce turnover among their employees. As many new plants have been manned substantially by rural people, some companies have arranged formal recruitment and induction programmes for them. Visits to plants are arranged for farm families and relatives to provide first-hand knowledge of the working conditions and housing facilities. A new employee is given a long orientation period during which the firm's organisation is explained and the functions of the personnel officer and the social worker are described. Training is arranged both in training centres and on the job. Recent improvements in the social service programmes of the enterprises have been most helpful to these newcomers[1].

Large plants recruiting young rural people as apprentices are likely to arrange for their placement in foster homes selected by religious and other private organisations, and contacts are maintained with the family of the apprentice. This programme is partially subsidised and supervised by the Ministry of Social Affairs and Public Health.

c) *Conclusion*

One major gap still persists ; vocational training programmes in rural areas offer few occupational choices. Most of the rural population still moves to unskilled work. Improvements in general, technical and vocational education are essential to the development of rural areas in order to provide greater opportunities for those who move to urban communities.

The Netherlands Authorities stress that local vocational training opportunities are determined by local needs and policies.

2. FOREIGN WORKERS

The number of foreign workers in the Netherlands has been rising. Their legal position has been defined. Social adjustment programmes have been initiated by management or private social agencies, most often with government aid. The primary emphasis is upon employment and adaptation without inconvenience to the local population. The problems of becoming established are particularly serious for those who arrive in the Netherlands on their own initiative. These people have no prior assurance of adequate accommodation, and, since their ratio has been rising, the question of housing is becoming more troublesome. The country report indicates that, for this group, the authorities are enforcing conditions of employment and social welfare similar to those provided for people who are officially recruited.

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[1] Cf. G. Beijer, National Rural Manpower : Adjustment to Industry, Paris, OECD, 1965. In addition, in 1964, 401 plants had 621 social workers on their staff.

Several large companies have made serious efforts at organising adjustment programmes for their foreign employees. The Hoogovens Blast Furnace and Steel plant near Haarlem employs more than 1,000 foreign workers. The company provides for a two-week course covering information about social security, rights and duties on the job, community life, and some instruction in the Dutch language. (But only a few foreigners pursue the opportunities for further language training.) The firm uses two ocean liners for its Spanish and Italian workers and has established a bungalow settlement. Each housing unit has its own kitchen and provision for entertaining and diversion (e.g. films in their own language), medical rooms and nurses. Apartments and small houses have been arranged for 200 foreign families. Information bulletins are published in Spanish and Italian. The Peregrinus Foundation in the Ijmuiden district serves as the social service agency for foreign workers.

The AKU plant in Nijmegen has living arrangements for some 600 Spaniards and Italians in housing units for non-married persons. They have recreation facilities including films in the workers' own languages and a medical station.

Public housing facilities, originally established for workers on supplementary employment work, are operated for groups of foreign workers. Though they are few in number, they are of high quality.

The special individual adjustment problems of these people have not always been given the intense attention they require. The recent enforcement of the same housing and social welfare standards for spontaneous immigrants, as for officially recruited foreign labour, is an appropriate step in this field.

3. LONG-TERM UNEMPLOYED AND OTHER SPECIAL GROUPS

In the Netherlands, the long-term unemployed, as a group of hard-to-place, consist of persons with special psychological and social difficulties. They include persons unable to keep a job, with low work motivation, with multi-problem families, some with emotional disorders, and other similar problems.

Two other special groups with placement difficulties are released prisoners and the low-income groups. All three groups require individual case work to define the needs for restoring their potential and the aids for effecting their re-socialisation.

a) *Long-term Unemployed*

The most significant source of information concerning the long-term unemployed is the Employment Service. In February 1966, ten per cent of the registered unemployed had been unemployed for one year or longer. Members of this group have not in the past been systematically identified. As a result of an experimental pilot study conducted by the Employment Service, in co-operation with an international OECD study of methods of dealing with this group, the conviction has grown that more systematic attention should be given to identifying and helping this group. The creation of the position of an additional special placement counsellor is being considered. Such an adviser, after identifying the person and providing guidance, would help the person define the assistance he requires to restore his optimum usefulness in the community. If the counsellor's advice is insufficient, referrals can be made to medical, social casework agencies and other special services. A job placement programme is to be developed at the appropriate time. The Examiners *commend* this initiative.

b) *Released Prisoners*

Discharged prisoners also need special help. The Ministry of Justice in this instance acts as the agency for identification and referral in order to help the individual to achieve normal relations within the community. The General Directorate of Manpower is consulted on retraining programmes. Consideration is being given to the creation of special training centres for released prisoners. Individual follow-up and assistance after release are considered essential to their successful integration into the community.

c) *Poverty Groups*

The lowest income families and individuals among the economically active population, some fatherless families and older persons, are among those who can be helped to establish or regain their capacity for normal participation in the labour force. Poverty in terms of starvation is absent in the Netherlands. But according to a study in 1965, people in poverty groups have little or no occupational training and education, and their aspiration level for themselves and their dependants is low. Educational retraining and re-socialisation aids are needed to build up their economic worth. Only a limited organised programme formally exists for this group. The Examiners *recommend* that the Ministry of Social Welfare should set up a procedure to identify and refer these people to appropriate services to effect the rehabilitative process.

4. MENTALLY AND PHYSICALLY HANDICAPPED

Many efforts are made for the rehabilitation of the physically, mentally or emotionally handicapped in order to restore them to normal employment or to provide permanent substitute employment for those unable to find employment in regular private and public enterprises.

a) *Rehabilitation System*

Physical and mental rehabilitation and occupational therapy are available in Rehabilitation Centres and hospitals. Occupational therapy is provided currently for some 2,000 mentally and sensorially handicapped in institutions as part of their treatment. Vocational rehabilitation is attempted in hospitals for the mentally deficient. When physical rehabilitation has been completed and occupational therapy is in order, the handicapped may be placed in workshops or open air projects under the Social

Employment Scheme. The latter are not formal occupational rehabilitation agencies, but they accept people of varying degrees of incapacity and "transit passengers", i.e. persons who are learning to adapt themselves to normal work situations. Experimental pilot projects are being organised for systematic training in rehabilitation sections in workshops.

The Examiners believe that a greater interest in rehabilitation by the insurance bodies administering accident and invalidity payment systems, despite the legal prescription, would be a significant contribution to the programme.

b) *Social Employment Systems*

The country has recognised that everybody with capacity, however limited it may be, has a right to work. The Social Employment Scheme provides it for mentally and physically handicapped, socially maladjusted and others unplaceable because of age or other reasons. Persons considered to have or to be able to regain 30 per cent of normal productive capacity are admitted. The primary objective is to provide occupational activity, develop a feeling of self-realisation, and discourage reliance on social benefits. People are encouraged to secure normal employment, and working conditions in the shops resemble those in industry. Provision is also made for individuals to attend vocational training courses during working hours.

The programme is operated by municipal authorities, often in cooperation with private organisations. The central government, through the Ministry of Social Affairs and Public Health, makes grants, paying some 70 to 90 per cent of the wages of the workers employed plus the cost of medical examination and a subsidy of 50 per cent toward the cost of management. In addition, the local workshops may secure additional special grants and raise local funds. The central government contributed 118 million fl. in 1965. The 200 workshops and several hundred open air projects employ about 24,600 manual workers, of whom 6,500 are on the latter work, and 2,200 intellectual workers in clerical and indoor jobs, usually in government offices, museums, archives, etc.

i) *Case Location and Referral*

The clients for these workshops and open air projects are selected by the municipalities from among the inactive, sick and handicapped. The Disablement Resettlement Officer attached to each district office of the Employment Service encourages people to enter upon work and pursue a course which will lead to normal employment. He interviews handicapped workers and, with the aid of tests and medical examinations, develops a placement programme including, if desirable, placement in a workshop.

ii) *Social Workshops and Open Air Projects*

During the fifties, when employment opportunities were expanding, 30 to 40 per cent of the clients moved to normal jobs. The proportion is now closer to 5 per cent as current clients are beset with more severe handicaps ; some are more deterred by a fear of loss of invalidity pensions. The emphasis on physical rehabilitation is kept to a minimum.

The persons employed on open air projects tend to be those who suffer from various diseases such as TB, diabetes and asthma. The projects cover such work as layout out of parks, sports grounds, forestry, house construction and others.

Private industry also operates workshops for handicapped and aged employees providing for greater freedom in choice of working hours.

iii) *Evaluation*

The Examiners *conclude* that the present system of social employment is highly developed and productive, and revaluation of procedures and services is necessary to assure the maximum proportion of re-entries into the regular labour market. Explicit encouragement for such transfers should be built into the regular operations. The difficulties created by the fear of the lapse of invalidity insurance benefits need also to be dealt with. Greater emphasis must therefore be placed on the fullest restoration of work capacity.

Careful selection of management and methods of operation could be beneficial. In the selection of work projects, more attention should be given to the most urgent and most profitable ones, particularly in a period of full employment.

5. SOCIAL ORGANISATION FOR ADJUSTMENT

The above groups are identifiable largely because of their numbers and/or special public concern, but other individuals within the community also require similar aids to prepare them for supplementary vocational training for full and effective participation in the work force. Two developments in the Netherlands reflect the efforts to provide all with access to agencies for assistance. In the urban areas, current programmes for the co-ordination of welfare organisations have led to the creation of general case location and referral service agencies to help individuals find their way through the network of social agencies, services, laws, institutions and facilities. In one large city, 9 offices, each one covering a population of 20,000 persons, responded in one year to 17,000 calls. They acquainted the clients with community resources and referred them to the appropriate agencies for specific help, be it diagnosis, therapy, re-education, training, services or funds. These agencies are helping some individuals to re-establish themselves in full economic participation.

In encouragement areas, social services are being established which serve the same purpose. The Examiners *commend* these programmes and urge that periodic reports be submitted on their contribution to the adaptation of people as productive members of the work force.

D. CONCLUSIONS

The most productive utilisation of manpower resources calls for the elevation of their quality to meet the needs of the advancing modern Netherlands' economy and society. The educational and training systems should be related both to the present requirements and likely future developments. Essential steps to meet these demands have been taken, but additional changes must be made to prepare individuals fully to participate in the evolving economy and society. As the educational achievements of the Netherlands' population rise, the managements of the individual enterprises also have to redesign jobs so that they employ the better educated and prepared persons most productively and in a manner more satisfying to their aspirations.

The changes being effected by the 1963 Act governing the post-primary school system are raising the level of general education for youth. They are postponing the age for the choice of the school stream and making it more flexible, so that students can more easily move from one type of school to another. Such mobility is essential for adapting the school system to the varying patterns of individual growth. The increasing accent on general education meets the requirements for better preparation for modern work-life. Further advances in the age of compulsory general education to that of sixteen years, should be considered and implemented at the earliest time.

The work orientation of the present school system has directed a substantial body of the secondary school population to technical and vocational schools, with a large proportion of these youths terminating their education at fifteen and sixteen, leaving them with a narrow basis of technical training. Their occupational mobility in later life will be limited by this training system which will constitute a drag on economic growth. It is therefore *recommended* that a special study be made of the curriculum of the lower grades in these schools to determine ways in which general and broad technical education might be extended.

The role of the apprenticeship system as practised in the Netherlands needs further clarification. Four questions were raised in particular in the analysis : the adequacy of the training, the qualifications of the establishments chosen for training, the propriety of the crafts selected for training, and the adequacy of the system for further promotion. In view of the large number of youths who get their training through this system, close and urgent study of it is required.

The adult retraining centres provide a useful base upon which to construct a really adequate system of adult retraining. It should be expanded to allow for the admittance of adults affected by technological change, the hard-to-place groups, and women re-entering the labour market. The present programme for the occupational retraining of the physically and mentally handicapped appears more active and productive.

The social adjustment programmes developed in the Netherlands reach many groups and do much to help individuals to adjust and establish themselves in industry and urban society, for more productive employment and participation. Facilities in receiving communities and industry for rural migrants and foreign workers, particularly the former, are highly developed. The appointment of the special placement counsellor for long-term unemployed in the Employment Service would do much to increase the re-entry rate of this group. Much is being done for released prisoners and comparable adjustment programmes should be instituted for the poverty groups. The social employment system has the task of assisting both in the rebuilding of individuals for normal employment and in providing permanent substitute employment. More emphasis on the return to normal employment would do much to reinforce the latter process. The new community locational and referral agencies will help many individuals requiring aid to achieve their fullest adaptation to employment and society.

Chapter IV

QUANTITY AND QUALITY OF LABOUR DEMAND

A. LABOUR DEMAND AND SCARCITY

As developed in Chapter I on priorities, the present issue within the Netherlands is not the inadequacy of the demand for labour but rather the existence of a strained labour market. The major questions to which the Examiners must address themselves are those of the relationship between economic policy and the demand for and supply of manpower. The most relevant question is how an active manpower policy can contribute to resolving the economic tensions within the Netherlands ; particularly, the extent to which the country can still draw upon slackness of labour resources and under-utilised and less productively employed labour.

In view of the recency in the Netherlands of the problems associated with sustained full employment, and the absence of thorough debate on how to encourage the reallocation of labour in a full employment economy, it is well first to contrast the challenges presented to the policy-maker by unemployment and labour scarcity. The impact of unemployment is more immediate, more pronounced, and more visible than the impact of labour scarcity. The onus of the adjustment to unemployment is on the individual for whom unemployment can be a traumatic experience. It is generally recognised that the unemployed individual is often powerless to remedy the situation through his own efforts, and the political pressure is for government to initiate policies for expansion of demand and to provide employment. The Netherlands has had considerable experience with the perception and handling of the problems of unemployment and has developed highly sensitive and extensive techniques for dealing with this phenomenon. In fact, these techniques have continued to be operative in periods of high employment.

In the case of labour market stringency, the onus of adjustment rests initially with employers. However, unlike the unemployed, the employer has experience in meeting his problem. Filling vacant jobs is an everyday activity for employers. Accordingly, when labour scarcity arises, the employer can rely on this experience and choose among many different alternatives to correct the apparent gap. If he cannot recruit people in the immediate labour market he may broaden his area of search, he may seek to entice people away from other employers, he may pay "black" or higher wages, he may improve benefits and working conditions, or he may offer other incentives or inducements such as housing. If these and other direct recruitment techniques fail to produce a sufficient quantity of manpower from the conventional sources, he may tap new sources of labour supply such as foreign workers, women, and older workers. Recruitment of these groups may require various alterations in the nature of the job to accommodate to the characteristics of the new workers. In practice this may call for job redesign, shift work or part-time work schedules. If the labour recruited by these techniques lacks the requisite skills, the employer may institute training programmes. If the supply is insufficient, he may ask his staff and secure permission to work overtime or he may contract out some production. The introduction of labour-saving equipment or methods may also help reduce his needs for additional labour. As a last alternative, he may move part or all of his operations to a labour surplus area. If the above methods do not suffice, he may for the time being have to forgo the production that would be provided by the additional labour. Some employers may be unable to compete in a tight labour market and may go out of business, thus releasing manpower for alternative uses.

The responses by employers to the market pressures exerted by labour stringencies can play a constructive role in promoting economic growth, in that change from labour intensive to capital intensive production methods is encouraged, as is higher efficiency, the recruitment of marginal groups, and plant movements toward labour surplus areas. The employer's choice of alternatives and his possibilities for action are dependent upon many different factors including resourcefulness, experience and know-how, as well as availability of funds and the state of the capital market. However, because of the alternatives open to employers, there is little or no initial corresponding pressure for governmental policies to deal with this problem. Unions tend to regard labour stringency as essentially an employer's problem and governments may tend to be content with the absence of unemployment and may hesitate to take radical initiatives for dealing with labour scarcity.

The issues before the Netherlands authorities are whether the goals of economic growth can be realised through the operation of the present market, or whether additional policies should be developed to assist in the reallocation of labour resources. The previous discussion by the Examiners has underscored their belief that there are labour reserves which can be brought into the active labour market, and other labour resources whose utilisation can be enhanced through reallocation.

It is the Examiners' *conclusion* that even more could be done in these fields through the pursuance of an active and aggressive manpower programme to help market forces and pressures effect these changes, and assist employers and unions in more rapidly recognising and responding to the needs of the times through their personnel and industrial relations policies. The main responsibility therefore of the public manpower agencies is to help overcome the traditional sluggishness of the labour market.

The adjustment of manpower to labour market demands will of course take time to realise. Moreover, new labour market approaches and techniques will have to be learned by employers and, while their effectiveness will increase with time, it is not likely that they will be fully effective at the beginning. The co-operation of all members of the industrial world will have to be established. Many new institutions and provisions for adjustment will probably have to be organised by government and made operative before full acceptance and co-operation are realised. In particular, this will require that the Employment Service provide highly alert and competent services to management and, in the following Chapters, the Examiners make certain recommendations in this direction.

In the meantime there will be many pressures from the labour demand side. The Manpower Authorities have basically the responsibility of making estimates of the effectiveness of general market pressures upon the allocation of the labour force and of appraising the effectiveness of additional labour market tools and programmes in relieving this source of tension. They must also be prepared, through research and knowledge of the labour market, to join even more fully in the discussion of the appropriate mix of manpower and other economic policies to realise the desired combination of economic growth, full utilisation of the labour force, rising living standards and price stability. In particular they must be prepared to discuss the labour market implications of restrictive policies — both general economic policies such as monetary and fiscal policy and specific policies such as incomes policy — and, if necessary, to advise on the selection which will continue to promote the optimum reallocation of manpower for economic growth and higher living standards.

B. PROGRAMMES FOR EXPANDING THE DEMAND FOR LABOUR

While the basic point of view of the Examiners in this has been that the major issue in the Netherlands stems from market pressure calling for a reallocation of the factors of production, capital and labour, it is also important to emphasize the policies designed to expand the demand for labour when and where necessary. These Programmes are described in Annex 10 of the Country Report and, at this juncture, the Examiners wish to direct attention to aspects of these programmes which warrant consideration by other countries.

1. Supplementary Employment Policy

The Netherlands has maintained a supplementary employment programme to provide productive work for those not otherwise absorbed in private and public employments. It is essentially a programme for maintaining the demand for labour in specific areas in periods of relatively high employment. Several characteristics are worthy of note.

First it is organised and administered separately from the public works programme and is conceptually of a different order. The latter is directed to the long-term development of the infrastructure. While the supplementary works programme may consist of projects which belong within the public works programme, this is not a requirement. This separation is advantageous in that long-term growth objectives and short-term stability in the labour market can be pursued independently; but, when feasible, collaboration enables both goals to be met.

Second, the supplementary employment programme is administered in close co-operation with the Employment Service, as both are under the jurisdiction of the General Directorate of Manpower. This assures that the direct employment will be in individual localities and will correspond to the needs of specific groups of people. The decisions as to implementation, timing and cessation are made at the regional level, so that it ensures direct responsiveness to the short-term employment needs of the local labour market. Its elasticity has been facilitated by the careful planning of projects and the selection of those which can be completed in short periods of time.

Third, while separate from regional development policy, the programme is administered in close collaboration with other Ministries, so that it has been able to meet its primary goal of employment creation while, at the same time, contributing to other programmes whose primary objectives are in such areas as regional economic growth, tourism and recreation.

It is the Examiners' *judgment* that these characteristics go far in meeting and overcoming the objections to public works policy as a means of combating cyclical and seasonal variations in employment that have arisen in various countries in recent years, and therefore the Examiners *commend* to the attention of other countries the Netherlands' programme of supplementary employment.

In this connection it may be well to point out that this programme has limited usefulness at present for it seeks to furnish jobs solely to generally unskilled manual labour. This means that the programme focuses on labour intensive projects at a time when the construction industry is moving away from this pattern and when the proportion of white-collar and manufacturing workers in the labour force is increasing. It will be most important to follow the changes effected in this programme by the Netherlands Authorities as they adjust it to these new technological and labour force qualities and move to projects of higher urgency.

2. REGIONAL DEVELOPMENT

Likewise, the Examiners wish to commend to other countries the Netherlands' programme of regional development. (For a description of this programme, see Annex XV to the Country Report.) While the Examiners did not undertake an intensive examination of regional policy, they were impressed by the responsiveness of these policies to changing labour market conditions.

In 1951, when there was substantial structural unemployment in some regions, the programme emphasized employment creation in those areas and, at the same time, encouraged the migration of workers to other, more prosperous, areas. In 1959, when regional employment conditions had improved, the migration from the problem areas was de-emphasized. In recognition of the problems arising from over-concentration in the Western provinces, the policy, for a five-year period, stressed decentralisation of industry, with the objective of obtaining a more balanced distribution over the country and allowing for the expanding population in problem areas to be absorbed locally. In 1964, when regional unemployment had practically disappeared, the economic orientation of the policy increased, with emphasis being placed on certain growth centres or development nuclei where industrial development can be efficiently stimulated. Forty-four growth centres have been chosen under the present programme. The particular measures provided by the central government include aid to accelerate and foster the introduction of necessary improvements in the infrastructure, financial incentives to industry to locate in the development nuclei, financial aid to workers for migration to or within the growth centres, allotment to the centres of a specific portion of the allocation for social housing, and grants for social and cultural facilities.

The industrial subsidies, it is estimated, were responsible for 16,000 jobs in the first plan and 40,000 jobs under the second plan. Most significant has been the fact that, in recent years, many companies, aware of the tightness in the labour market, have located in these areas to secure local labour. At times plants have moved from the western area and brought key people with them and have often attracted back former local residents living in the crowded industrial areas, thereby further helping to decentralise population and industry. The incentive programmes appear to have been particularly attractive to small and, to a lesser extent, medium-sized plants.

A number of problems encountered in the operation of the programme point up the need for further careful planning. The municipalities themselves are responsible for the promotion of individual areas. They usually organised special groups, set up Economic-Technological Institutes and promoted public relations programmes. These programmes have in some instances succeeded far beyond their expectations so that the new employment opportunities have exceeded local labour resources. Better planning is necessary in the field of new plant location. The dependence on local initiative has meant the concentration of new developments in some limited areas. This trend is illustrated by the fact that eighty per cent of the new enterprises financed under these programmes are located in 22 of the 44 growth centres.

Another difficulty under this programme is the need for closer coordination among the public authorities. Large scale public works are sometimes under way at the time when new enterprises are attracted to an area, so that the latter have only limited labour resources available. On the other hand, the issuing of building permits has, in some cases, been so slow that it has not been possible to start up plants in the area.

A third problem, present in some areas, is the absence of housing, social facilities, procedures for social adjustment for rural population or a highly developed secondary school system, which has discouraged new enterprises seeking a stable work force.

Fourthly, the programme is generally responsive to conditions of urgent need, but a programme of redevelopment of distressed or underdeveloped areas must be built on long-term planning. Many of these areas can be spotted far in advance of any critical period. More regional economic studies are essential for this purpose and the new system of regional income accounts will help bridge this gap. But a fully successful programme needs continuing economic investigations carefully pointing up present and prospective economic and labour trends.

The many-sided programme for cushioning the closing of the coal mines in South Limburg, which employ some 40,000 persons, reflects the careful planning possible in these circumstances. The plan provides for the phased closing of the mines in order not to overburden the market. Measures directed toward the displaced miners include financial aid, vocational guidance, and training and retraining, including the establishment of three new training centres. The measures for attracting industry include financial provision for modernisation of the infrastructure, the use of loans, guarantees, and tax incentives plus investments by the States Mines and expansion of the DAF Automobile Company. Already, several industrial enterprises, including AKU and Fiat, have announced plans for opening plants to secure the benefits of this labour supply. In addition, other companies in need of labour have started recruitment campaigns by notices in the local press or by evening sessions in the regional employment office. Moreover, the Germany mining industry has offered employment to the Dutch miners.

The Examiners *note* that the regional development programme, in general, became more growth-oriented over time. When employment considerations were predominant in a specific area (South Limburg), the policy emphasis was immediately one of employment creation in that area. This indicates that the general policy is flexible in that it can respond to the employment needs of a specific area. At the same time the Examiners have reservations as to whether the policy might be equally flexible in future cases. These reservations stem from the special circumstances of the South Limburg case : the future of the Dutch coal industry was in doubt for some time, due to competition from other coal producing areas and the discovery of the natural gas fields in the Northern provinces ; certain mines were state-owned thus permitting direct governmental control over the closing of these pits and the timing of this action ; the States Mines had already diversified and is now a major chemical concern which could expand operations in South Limburg. Accordingly, the Examiners *recommend* similar prompt and efficacious action for declining private industries with pronounced regional concentration.

3. PROGRAMMES TO STABILISE SEASONAL DEMAND

Although the Dutch winter is not severe by Northern standards, frost results in substantial seasonal unemployment in the construction industry and, in this section, the Examiners are interested in the subsidy programme to stabilise the seasonal demand for workers.

The first approach to the problems of seasonal unemployment in construction was in 1947 when representatives of employers and workers established a jointly financed risk fund. Under this scheme, employers pay to construction workers laid off due to weather conditions an amount equal to the wages they would have earned, and are reimbursed by the risk fund. The need for better utilisation of resources in the construction industry, plus the rising costs of the risk funds, subsequently led to an attempt to reduce seasonal unemployment through direct measures designed to maintain winter employment.

A Foundation for "Lay-off Prevention in the Building Industry" (Stichting Verletbestrijding Bouwnijverheid) was established in 1963, on the joint initiative of the Ministry of Housing and Physical Planning and representatives of the social partners, whereby it was agreed that the risk fund would be used to subsidise winter projects. Briefly stated, the Foundation pays to participating contractors a "continuation-of-work" allowance as a contribution toward the extra costs of working on the so called compulsory and voluntary continuation days designated by the Foundation. The allowance consists of a basic grant for every worker employed on these days, plus a supplement if the contractor shows he took further steps to avoid seasonal lay-offs. The amount of the allowance varies with the type of construction and the stage of completion and is calculated in terms of the difficulty of continuing the project.

The lay-off prevention scheme is financed by a payment from the risk fund equal to 75 per cent of the savings realised by the fund by virtue of the continuation of work. The difference between the risk fund payment and the total amount paid in allowances is paid up to a specified maximum by the Ministry of Housing.

The Examiners are *impressed* with the design of this scheme, particularly its direct attack on the cause of winter unemployment, its financing, and with the fact that the incentive varies directly with the degree of difficulty in maintaining continued winter employment. Although the programme has been in operation just three years and only about 10 to 15 per cent of the contractors have joined it, the production gain has been substantial. It is estimated at 1,196,897 man-days in 1963-64, 291,000 in the mild winter of 1964-65, and 1,800,000 in 1965-66. The Examiners are also *impressed* with the Foundation's efforts to extend the coverage of the scheme through research, demonstration projects, and education.

Chapter V

PRODUCTIVE ALLOCATION OF MANPOWER RESOURCES

A. INTRODUCTION

Employment services are indispensable for attaining the goals of an active manpower policy. In the past the duties of an unemployment office were those of a mediator between the supply of and the demand for labour. More recently, it has been assigned the further responsibility of assisting employers and employees respectively to make well-informed choices in the labour market. Currently the outlook has been broadened to include helping ensure the most productive employment of manpower in the interests of both the individual and the overall economy.

This new dimension has raised the services' sights from the specific needs or requests of individual employers to the requirements of a growing economy seeking to satisfy national targets of economic growth and rising living standards. The Employment Service must change to an active role of promoting higher economic growth, better individual earnings and productive placement, through efficient employment of labour resources. It has to be the central organisation for the discharge of these allocation responsibilities. The labour market organisation has therefore not only to aid the new entrants into the labour market seeking their first jobs but also the adult work force whether employed or unemployed. The task is to satisfy these threefold interests ; namely, the individual employee, job offers and national economic development. An Employment Service is now responsible for taking initiatives, when necessary, to reduce or encourage personal mobility and turnover in firms and to help regularise labour markets with chaotic systems of recruitment and lay-offs.

The staff of the Employment Service must therefore be adequately trained to provide these services and take these initiatives, and be supplied with the necessary information and assistance for giving expert advice. The central placement staff should be skilled in understanding both applicants and job offers, knowledgeable about the firms' needs and turnover, and informed about job requirements, prospects and terms of employment, means of promoting national economic growth and eliminating wasteful use of manpower.

In the present discussion, the Examiners review the Netherlands employment service in terms of the above view of its function.

B. HIGHLY DEVELOPED EMPLOYMENT SERVICE

The Employment Service in the Netherlands has evolved from local placement agencies into the present highly developed national system reaching all parts of the country. It has the exclusive prerogative for placement except for a limited number of private profit and non-profit agencies to which it grants licences, but employers and employees are not obliged to use the Employment Service.

Although placement and unemployment insurance are separate, the unemployed must register with the Service to be eligible for benefits. The Service is not limited to the unemployed ; all persons who want to secure jobs may register with the Service. Fees are charged only for vocational guidance to the employed and special categories. The Service is changing from an "unemployement office" to an "employment office", but it has not yet evolved into being a local manpower agency, although it performs many ancillary services associated with this function. Its emphasis has so far been upon serving those who register for jobs, rather than promoting mobility from low productivity sectors to those offering better economic prospects and benefits and contributing more markedly to the nation's economic expansion.

The Service has, by the addition of its many positive services, increasingly overcome the image of being an "unemployment" office. It has also worked closely with the Agricultural and Social Welfare authorities to provide positive assistance in the placement of persons transferring to non-agricultural work. It has helped in the adjustment of foreign labour and repatriates. Moreover, the Central Advisory Board has brought it closer to representatives of its clients, generated greater confidence in its competency and cultivated a keener responsiveness to their needs. The Service now also enjoys an improved status because of its many contacts with other governmental agencies to which it brings its experience, views and expert analysis acquired on many significant economic, manpower and social issues. The great emphasis on improved training and quality of staff has ensured better performance and a greater following. The attractive modern new facilities, constructed in recent years, have added dignity to the organisation, raised its efficiency and assured more privacy to clients.

Further improvement in the allocative functions of the Employment Service can best be defined through a series of questions.

First, how broad and deep is its penetration of the labour market ? If the Employment Service is to be not merely a mediator between people seeking jobs and employers looking for workers, but also a promoter of the most productive use of manpower within a nation, it has to be broadly accepted throughout the country by people in different types of occupations and labour situations. It cannot limit itself to individuals and enterprises who apply for help. The test of the effectiveness of a service is its contribution to the optimum allocation of a nation's total manpower resources. It must have a thorough knowledge of all areas in the labour market and also be able to determine where and when the labour market operations are failing, and correct such deficiencies. In order to have this breadth of outlook, it must have a very high penetration rate and be involved in a significant proportion of all hirings in a country. The extent of this involvement for a particular country can only be determined after careful study.

In the Netherlands, employers and employees now make free use of alternative channels for recruitment and job seeking. Employers use the usual method of enquiries among current employees. But in this period of scarcity they have gone beyond these traditional techniques and have advertised in publications (including newspapers devoted solely to the listing of vacancies), organised recruitment campaigns at universities, technical schools and rural areas, and have used recruitment agents. Employees, of course, use the regular technique of informal contact.

Competition from other placement agencies is very limited since they consist of nine private fee-charging firms serving entertainers and domestic staff, and non-profit making groups catering for university graduates and undergraduates, musicians, domestic staff, disabled persons and discharged prisoners. The student group is the largest. The public employment officers have close ties with the non profit-making agencies.

The Netherlands authorities estimate that penetration is very high, namely about 33 per cent, which compares with Swedish and German experience, and is therefore among the most developed. (The Examiners did not have the resources for making independent checks on these estimates.)

A considerable number of the present placements are for short-time jobs, about one fourth being for one-day placements and 29 per cent for a week or less. The rate of short-time placements is much smaller for women. Some fifty-five per cent of the placements may be regarded as permanent since placement officers consider them to be for more than a year (Table VII).

Table VII. PLACEMENTS BY THE NETHERLANDS EMPLOYMENT SERVICE OF JOB SEEKERS BY PROBABLE DURATION OF WORK, 1965

	TOTAL		MALE		FEMALE	
	NUMBER	PER CENT	NUMBER	PER CENT	NUMBER	PER CENT
Total	216,639	100.0	179,469	100.0	37,170	100.0
1 day	53,166	24.5	46,624	26.0	6,542	17.6
2-3 days	4,552	2.1	4,288	2.4	264	0.7
4-6 days	4,497	2.1	3,793	2.1	704	1.9
1-2 weeks	3,674	1.7	2.658	1.5	1,016	2.7
3-4 weeks	9,991	4.6	2,852	3.8	3,139	8.4
1-3 months	7.107	3.3	6,229	3.5	878	2.4
4-5 months	5,954	2.7	5,585	3.1	369	1.0
6 months-1 year	5,164	2.4	4,922	2.7	242	0.7
over 1 year	119,183	55.0	95,274	53.1	23,909	64.3
unspecified	3,351	1.5	3,244	1.8	107	0.3

Source : Ministry of Social Affairs (special tabulation).

Note. The number of placements was 1,424 below jobs filled, as the former includes nationals placed abroad but residing in the Netherlands and foreign nationals placed in the Netherlands.

Studies should, however, be made of the coverage, to define more precisely what improvements should be made to achieve greater access to better knowledge and organisation of the labour resources. It is recognised, both inside and outside the Employment Service, that further penetration is required of the white collar and high level occupations and for office, teaching, social and medical personnel and sports and arts.

The absolute number of placements for commercial or trade personnel occupational groups, except short-time assignments for entertainers, has not risen over the last decade, although the number of employees in this field has grown. Placements for university graduates have generally varied between 200 and 250 per year. The Service has sought to improve its operations for the latter by organising a national clearing centre in the Hague and establishing closer relations with the University Placement Bureau and medical practitioners. While the Service does satisfy some requests for the lower levels of management, it has not been called upon to serve higher grades. Many steps have to be taken to establish a more representative relationship in these labour markets. The appointment of a consultant for this group at the national level is a most constructive step.

While the unit cost of the service for these groups is higher, and specially trained staff are required, there are many benefits from such activity besides those gained from close knowledge of these fields. Future employers or supervisors are to be found among this group, and satisfactory relationships wth them will help establish the confidence necessary for broadening the general coverage.

The Examiners are submitting a specific table on the distribution of placement by age, sex, province, industry and occupation, to indicate the need for further study of the separate labour markets and to show where there might be deeper penetration. (Tables VIII, IX and X). The Examiners *recommend* that the Netherlands' authorities should make a close study of this problem and define the targets for penetration for the years ahead.

Second, is there an adequate number of offices to serve the labour market? There are at present 90 regional and 45 branch offices, and the latter are to be reduced to 40. Eleven provincial offices supervise the entire organisation. They are located in densely populated areas and are thus accessible to individuals, local firms and the central offices of corporations.

Third, is the programme of staff recruitment and training and salaries adequate to ensure the desired numbers, quality and status of personnel? A definitive effort is being made to raise standards and recruit university graduates. Much attention is being paid to building up career potentialities through opportunities for training and advancement. The in-service training programme consists of ten full weeks of instruction by a special group of leaders selected and trained for the purpose.

A special adviser on staff training in the Director General's office is in charge of this and other programmes. The latter include in addition to the above, the special training courses for youth employment counsellors and disablement resettlement officers, the in-service programmes for university-educated staff and higher grade promotions. The social work training schools also provide courses which are particularly useful for work in the employment service and vocational guidance officers.

The salaries and benefits are considered by the Employment Service to be competitive with those enjoyed for comparable qualifications in private personnel work.

The staff in 1965 consisted of 344 persons in the head office, 144 in the provincial offices and 1,548 in the regional and local offices. An international staff comparison cannot now be easily made, since data are not available on a functional basis. The 1959 report gave total

Table VIII. VACANCIES AND JOBS FILLED, 1965, BY SEX AND PROVINCE

CATEGORY	NUMBER OF VACANCIES AT THE END OF 1964	NUMBER OF VACANCIES REGISTERED IN 1965	TOTAL NUMBER OF VACANCIES	NUMBER OF JOBS FILLED		NUMBER OF VACANCIES WITHDRAWN	NUMBER OF VACANCIES AT THE END OF 1965	DEPENDENT WORKING POPULATION
				NUMBER	PER CENT			PER CENT
Netherlands :								
Total	117,713	339,229	456,942	218,063	100.0	123,196	115,682	100.0
Male	78,658	255,534	334,192	180,694	82.9	77,503	75,994	
Female	39,055	83,695	122,750	37,369	17.1	45,693	39,688	
Provinces :								
Groningen	2,559	22,997	25,556	14,721	6.8	7,657	3,178	4.0
Friesland	2,394	12,545	14,939	8,949	4.1	3,942	2,048	3.7
Drente	1,924	8,271	10,195	6,196	2.8	2,322	1,677	2.5
Overijssel	9,090	18,752	27,842	10,767	4.9	9,262	7,813	7.3
Gelderland	10,054	23,546	33,600	14,775	6.8	8,602	10,223	10.9
Utrecht	5,789	30,108	35,897	23,455	10.8	6,562	5,880	5.9
N. Holland	25,282	65,506	90,788	41,660	19.1	23,432	25,696	18.6
S. Holland	31,174	84,815	115,989	51,297	23.5	33.054	31,638	23.8
Zeeland	1,440	7,602	9,042	4,908	2.3	2,701	1,432	2.2
N. Brabant	17,535	38,601	56,136	25.159	11.5	14,426	16,551	13.4
Limburg	10,472	26,486	36,958	16,176	7.4	11,236	9,546	7.6

Source : **Ministry of Social Affairs (Special Tabulation).**

figures only for the staff and did not differentiate between the types of services. For some countries the figures for staff included those in the unemployment insurance branch, as well as those in the employment service[1].

The Examiners *believe* that a further expansion of the Service in line with an active manpower policy will call for a larger staff and many more people at higher salary levels.

TABLE IX. PLACEMENT OF JOB SEEKERS BY NETHERLANDS EMPLOYMENT SERVICE, 1965

INDUSTRIAL GROUP		PLACEMENTS		WORKING POPULATION[1]
		NUMBER	PER CENT	
	Total	*213,434*	*100*	*100*
01.	Earthenware, Glass and Lime Workers	1,470	0.7	1
02.	Diamond Cutting	32	—	—
03.	Printing, Photography and Bookbinding	1,329	0.6	1
04.	Building Workers	35,701	16.7	7
05.	Chemical Personnel	2,455	1.1	2
06.	Timber, Cork and Straw Workers	2,363	1.1	2
07.	Clothing and Cleaning Workers	3,707	1.7	4
08.	Artistic Handicrafts	40	—	—
09.	Leather, Rubber and Plastic Workers	1,082	0.5	1
10.	Mining and Quarrying Workers	779	0.4	1
11.	Metal Processing Workers	24,452	11.5	15
14.	Paper Converting Workers	1,519	0.7	1
15.	Textile Workers	2,169	1.0	3
16.	Gas, Electricity and Water Workers	243	0.1	1
17.	Preparation of Food, Drink and Tobacco	7,379	3.5	5
18.	Agricultural Labour	6,588	3.1	9
19.	Fisheries	214	0.1	—
20.	Commercial Personnel	22,581	10.6	16
21.	Hotel, Restaurant, Cafe, Dock & Shipping Personnel	53,466	25.0	9
22.	Banking and Credit Institutions	1,135	0.5	1
23.	Insurance	1,183	0.6	1
24.	Government and Professional Services and other occupations	43,035	20.1	15
25.	Education	504	0.2	3

1. Estimates.
Source : Ministry of Social Affairs.

Fourth, is sufficient national policy guidance given to the local offices and officers? The national Director General effects close co-ordination through bulletins, information and the policy guides prepared by the specialists in the three divisions of the national directorate. (See Country Report Chapter III, Section C and Annex 9.) These people also supervise the functional specialists and special institutions, such as training centres. In addition, the central and regional Advisory Boards serve

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[1] Cf. Jean-Xavier Dedieu, General Report, International Seminar on Methods of Training Staff for the Employment Services, EPA Project No. 407, June 8th-12th, 1959, OEEC.

Table X. VACANCIES AND JOBS FILLED BY NETHERLANDS EMPLOYMENT SERVICE IN 1965 BY OCCUPATIONAL GROUPS

OCCUPATIONAL GROUPS	NUMBER OF VACANCIES		TOTAL	NUMBER OF JOBS FILLED		NUMBER OF VACANCIES	
	AT END OF YEAR 1965	REGISTERED DURING 1965		NUMBER	PER CENT	WITHDRAWN	AT END OF 1965
Total	117,713	339,229	456,942	218,063	108.0	123,196	115,682
01. Earthenware, Glass and Lime Workers	1,762	1,730	3,492	925	0.4	1,007	1,560
02. Diamond Cutting	25	56	81	30		20	31
03. Printing, Photography and Bookbinding	1,376	1,944	3,320	773	0.4	897	1,650
04. Building Workers	7,903	49,190	57,093	33,914	15.6	17,072	6,107
05. Chemical Personnel	1,432	2,519	3,951	1,010	0.5	1,326	1,615
06. Timber, Cork and Straw Workers	3,937	4,169	8,106	2,004	0.9	2,857	3,245
07. Clothing and Cleaning Workers	12,273	9,337	21,610	3,143	1.4	6,151	12,316
09. Leather, Rubber and Plastic Workers	2,538	1,694	4,232	994	0.5	1,084	2,154
10. Mining and Quarrying Workers	1,480	270	1,750	311	0.1	771	668
11. Metal Processing Workers	38,629	48,250	86,879	24,220	11.1	23,563	39,096
14. Paper Converting Workers	911	1,206	2,117	673	0.3	572	872
15. Textile Workers	5,200	3,435	8,635	2,108	1.0	2,267	4,260
17. Preparation of Food, Drink and Tobacco	4,472	6,991	11,463	3,845	1.8	3,412	4,206
18. Agricultural Labour	1,043	9,490	10,533	6,699	3.1	2,817	1,017
19. Fisheries	25	230	255	194	0.1	36	25
20. Commercial Personnel	4,384	14,644	19,028	6,972	3.2	7,078	4,978
21. Hotel, Restaurant, Cafe, Dock and Shipping Personnel	3,948	66,072	70,020	52,966	24.3	12,788	4,266
24 - 26. Office, Teaching, Social and Medical Personnel, Sports and Arts	9,844	67,379	77,223	48,636	22.3	17,198	11,389
27. Domestic Service	6,426	19,206	25,632	5,958	2.7	13,483	6,191
28. Others	10,104	31,417	41,521	22,688	10.4	8,797	10,036

Source : **Ministry of Social Affairs.**

as important links between units for establishing uniformity and consensus on policy and programmes. The Examiners' *recommendation* on the development of employer services *could be implemented* through the establishment of a special section in one of the three divisions charged with co-ordinating policy and activities in these fields.

Fifth, what services are being offered to employers to help them improve their performance and the utilisation of manpower and their use of the Employment Service? Cultivation of the employers' interest, knowledge and use of the Employment Service is vital for an effective labour market service. Traditionally this has meant serving an individual plant in the local area. But with the growth of large corporations with many plants and centralised personnel and industrial relations offices, it also means working out individual co-operative relations with them. As the employment of professionals increases, so these groups have to be assisted in their placement and recruitment, usually at their association meetings. Recruitment of personnel for private and public employers should also be included. Each of these groups and their respective subdivisions have different needs, and special relations must be established with them.

In its dealings with the private sector, the Netherlands' Employment Service encourages enquiries and makes a study of jobs to be better equipped to answer job requests. The Employment Service provides information on labour resources to new plants being located in a particular area. Employers may refer people to the testing service. Management would like to have other services and this would improve relations between the Service and employers. The smaller enterprises need help in defining requests for new personnel in line with the Service's practices and occupational classifications, as well as in manpower planning. The larger companies require information to help them understand the state of the labour market and so design jobs to fit the supply of labour, or organise training programmes to adapt the labour supply to the needs.

The employers' major test of the service is the quality of the referral. However, the relationship between the employer and the Employment Service should be examined, not only in the light of individual referrals and placements, but also in terms of the contribution to the effective handling of the enterprises' total manpower recruitment and manpower planning. The Employment Service must therefore know not only the job but also the employer's organisation. The contact men from the Service should be conversant with personnel management techniques and practices. On the job performance of past placements has to be tested to ensure better selection in the future[1].

The Examiners therefore *recommend* that a close study should be made of the services to employers, to determine which can be most profitably instituted and developed. Regular relations should be established by the national office of the Employment Service with the central office of larger corporations, and with professional associations and other occupational organisations, to work out systematic relations on manpower recruitment and manpower planning.

Sixth, is sufficient information provided to employers and community agencies on general and local labour market conditions and economic

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[1] *The Public Employment Services and Management.* International Management Seminar, March 23-26, 1965. OECD, Paris, 1966.

developments? The results of individual surveys, as well as the monthly and annual reports on the labour market, are now released to the public. The Examiners *recommend* a review of these reports to determine whether they contain sufficient information to provide a firm basis for private decision-making.

Seventh, is there a system of advanced warning on significant changes in employment in individual enterprises? Currently there is no such system and employers do not necessarily inform the Employment Service of these changes. The Director of an employment office may pick up this data informally but not on a routine basis. The significance of this was brought to the fore by the recent closing of a textile mill, when the employees were suddenly confronted with a plant shut-down. The trade unions demanded that in future there should be prior consultation with the works council. This practice was followed in the subsequent closing of another textile mill. But there was no automatic or formal notification of this closing to the Employment Service.

If the Employment Service's participation is to result in the organised transfer of people to new employments, it must initiate its interviews and studies and make arrangements for new jobs before the plant closing or large scale redundancies. This practice is now observed in several countries and would be a constructive innovation in the Netherlands. It would generate a feeling of security, moderate the losses and build up a greater tolerance and acceptance for change.

The present law regarding dismissals is no substitute for this programme, since it is actually used only in individual cases where there is an objection to releases by either employer or employees, and some fields are entirely exempt.

The Examiners *commend* to the Employment Service a system of advanced warning and its acceptance by both management and trade unions.

C. EDUCATIONAL AND VOCATIONAL COUNSELLING

Effective allocation of manpower resources depends upon individuals moving to jobs which are more productive and financially more rewarding. This process can be greatly facilitated by effective guidance and counselling. Such assistance has become even more important as the concept of a career no longer involves merely the selection of a single occupation, but may imply a chain of jobs over the course of a lifetime. Neither parents nor children nor many adults are truly able to handle the problems of a job selection in this world of technical and economic change. Yet a growth economy calls for a careful broad preparation of youth, and appropriate and careful job selection by persons of all ages in the light of economic prospects.

The Netherlands' system of vocational guidance primarily places emphasis on advising students about their choice of schools. The greater part of the work of the guidance people is truly educational rather than occupational in character. The close association of secondary, educational and vocational preparation systems because of the rigid streams of education, makes this association rational, but the emphasis remains on educational guidance. This concentration on school youth in day schools is reflected in the overwhelming proportion (87 per cent) which makes up the clients of the denominational and municipal guidance centres. Students are 61 per cent of those counselled by the Public Employment Service and the number would be even greater if preference were not given to internal service needs.

Educational guidance is built on psychological aptitude testing procedures, a practice which is questioned by some leaders in the guidance field. The present procedure has also left its stamp on adult employment counselling. The guidance officers make recommendations for each individual for appropriate occupational groups in terms of the levels of skills or training, physical difficulties and nature of work, without essential reference to the labour market trends ; little specific occupational testing is performed. In the case of adults, the counselling process must however be built on a broader base than the results of psychological tests revealing personal aptitudes. The personalities, occupational experience and interests, and personal desires are all most relevant to job selection. Moreover account must also be taken of job opportunities, since the adult places greater stress on employment than on schooling, however desirable the latter may be. Even in normal cases the individual may call for some counselling on social and personal problems prior to actual job choice. The burden of counselling is therefore shifted to the placement officer, who is not fully equipped to do this work.

The guidance officer in the Netherlands Employment Service actually handles four types of non-educational cases : handicapped workers, candidates for training in government workshops, social problem cases and placement candidates, usually the unemployed. In 1965 there were 30,722 interviews, 39 per cent of which were in the non-educational category.

To determine whether the present size of the vocational guidance system is adequate, a full study would be necessary of all groups offering this service, including the Employment Service. Moreover, it would involve clarifying which tasks the Service is to perform. Certainly only a small number of adults are benefiting from this service and the persons counselled are far below the standard number set by one American authority, who defined it as 50 per cent of the persons under 22 years, 10 per cent of those between 22 and 45, and 25 per cent of those 45 years and over (Norman McGough). The same authority sets three interviews as a test for each client.

Employment counselling is important for adults changing jobs or those with special placement problems. The goals of such employment counselling should be to assist the applicant to review and evaluate his present and potential qualifications, abilities, experience, interests, desires and problems, to help him relate them to occupational requirements and opportunities, and finally to work up a realistic occupational plan which goes beyond the immediate job search. In the case of adults, of course, the stress must be on employment rather than a modification of a person's attitudes, a task which should be dealt with by other groups.

The Examiners therefore *recommend* that the Manpower Authorities should redefine the function of the present guidance service in employment counselling for adults, and the specific role of placement officer, develop the tools, and train the officers in their use. We *commend the proposal* made by the Employment Service that it should have a "placement counsellor" advising long-term unemployed and hard-to-place cases, other than those for which specific selective placement procedures already exist.

D. OCCUPATIONAL INFORMATION

Employment counselling, as well as selection and placement, require a system of occupational information which permits the placement officer to relate the individual to jobs. The Netherlands "Classification of Occupations according to their Mutual Affinity" provides a detailed analysis of occupations and jobs by seven classes of skills and exactitude, and thirteen other traits of requirements. A vertical and horizontal relationship of occupations can therefore be built up to define occupational families, but jobs within family groups are not necessarily interchangeable. Moreover, individuals who perform satisfactorily in one occupation in one cognate group may not necessarily fit in others, but the techniques provide useful information for helping individuals looking for their first job or changes in jobs. This classification is brought up to date through plant studies.

The data are supplemented by individual occupational descriptions covering many items about the job, but there are no data on economic prospects. The information on conditions of employment is very general. It is useful for original orientation in school and for persons unfamiliar with the particular employment. The exhibits at the Netherlands' Institute for Industry and Employment also serve this purpose.

The Examiners *recommend* that the occupational descriptions be supplemented by careful studies concerning the occupational outlook, to help students, parents and schools to be better informed about the economic prospects. More information would increase the usefulness of the reports for labour market purposes.

E. PLACEMENT FUNCTION

The consummation of the various services takes place in the actual placement process. Their total effect is tested by the quantity and quality of the placements. In high employment periods the latter criterion is crucial, and the competence of the placement officers is particularly challenged.

The number and types of placement officers in the Netherlands depend upon the size of the office and the industrial specialisation. But there are several in most local offices, viz. the youth counsellor, the disablement and resettlement officer, with possibly a third, the placement counsellor, for the special hard-to-place cases. They are specially trained and can deal with the particular problems of individual groups.

The youth counsellor builds on the guidance officer's information in his advice on job choices to the individual parent and young person. The disablement resettlement officer helps the disabled person to select his job and get his training, and is also responsible for developing job opportunities.

There are occupational or industrial specialists in each office. In a large city like Rotterdam, there are ten divisions ; in Eindhoven there are eight. There may also be a special foreign workers' officer and a medical adviser. Provision is made for the follow-up of placements of the handicapped by the disablement resettlement officer, so that their effectiveness is recorded.

The Examiners *found* the contact system between clients and officer adequate, but no detailed study was made of the actual effectiveness of this placement process.

F. INTER-AREA CLEARANCE AND VACANCY PUBLICATIONS

The present system places its accent upon matching supply and demand in the local labour market. Referral of a client or a vacancy to nearby or national offices is dependent upon the discretion of the local office director. The formal national clearance system is used particularly for university graduates and managerial personnel and short-time entertainers. There is no publication listing vacancies and little use is made of the radio to give broader publicity to existing vacancies — both of these would, of course, encourage greater mobility of labour. The inter office clearance in 1965 covered 1,369 persons, including foreign labour, and 80 were placed.

The Examiners *recommend* that a formal system of inter-office clearance of labour vacancies be established. Greater use should be made of the press and other media to inform people of existing job vacancies and new opportunities, particularly where this would make for more productive utilisation of the labour force. With the ease of commuting this service will probably be more useful.

G. FINANCIAL AIDS TO LABOUR MOBILITY

A programme for financial aid to labour mobility exists, but the number of people, other than seasonal agricultural workers, who have benefited is small, and the total expenditure in 1961 was 212,400 guilders, and in 1965, 167,100 guilders. The primary reasons for its limited application have been the exclusion of unmarried workers from benefits, absence of knowledge of the programme among the unemployed, a lack of available housing in many development centres, the shortness of the distance, and the rise in commuting.

The assistance to relocation is restricted to unemployed people who cannot find employment in their own areas and who are offered jobs outside the western provinces or in encouragement areas ; or to employed agricultural workers who move temporarily to areas with a shortage of seasonal workers, and to disabled unemployed offered jobs outside their home area. Young people under the age of 21 are helped to take up an apprenticeship when there is no suitable place in their own area. Key employees in manufacturing companies are aided if they move from the western provinces to encouragement areas.

Those who transfer to encouragement areas receive the cost of the travel expenses to the new areas for themselves and their dependants, removal expenses and a lump sum payment of 240 guilders plus 40 guilders for each child. In addition they receive 50 per cent of the cost of board and lodging or 50 per cent of the daily commuting expenses for a period up to a year. Those moving to non-encouragement areas do not receive allowances for board and lodging.

With the progressive levelling out of economic development among the various geographical areas in the Netherlands, migration of people to jobs outside their own locality is likely to decline. But the present system of financial aids can still contribute to a programme for stimulating mobility.

The Examiners *recommend* further study of the programme's provisions and administration, and the publicity given to it, to determine whether these provisions and their use can be improved in the present economic and geographical setting.

H. SEASONAL STABILISATION AND DECASUALISATION OF THE LABOUR MARKET

It is the Employment Service's responsibility also to contribute to the efficient organisation of labour markets where employees suffer from seasonal unemployment and irregular organisation of markets. Discussions also took place on the programme for seasonal stabilisation in the building industry. In this section we shall consider the direct labour market rather than economic programmes.

In the agricultural field, we have noted that an experiment is being conducted by the Ministry of Social Affairs and the agricultural organisations in the Hoekse Waard area, under the aegis of the Foundation for Labour Supply in Agricultural Enterprise in Hoekse Waard, which will try to stabilise employment opportunities both to help maintain the level of the work force and raise its vocational competence. Similar experiments are planned in four other areas (Report of the Netherlands' Authorities, Annex 13).

A careful study was made of the characteristics of the work force in the Docks of Amsterdam and Rotterdam, in the new period of full employment, as a basis for further studies and negotiations by the parties. While earnings had been previously guaranteed for slack periods, the discontent and turnover continued to be high, in part due to the variability and volume of income. New programmes have therefore been agreed in collective bargaining to promote further stabilisation[1].

The seasonal employment problems in the service industries and fisheries might also be examined.

The Examiners *commend* the Employment Service for its initiative in the agricultural area, and *believe* that the Manpower Authorities should provide guidance and assistance to other industries for the further study of their seasonal and casual employment problems, to promote further regularisation and stabilisation of employment.

I. LOCAL MANPOWER AGENCY

The directors of the provincial and regional employment offices play significant roles in the administration of local manpower programmes, both those fully or partially supported by the central government and those completely financed by local government. They become the local representatives of the central Ministry of Social Affairs. They are involved in many provincial and local co-ordinating committees and are able, therefore, to present the point of view and experience of the Employment Service. The local advisory boards constituted as the central one, include local government officials, which adds to the usefulness of these offices where the director uses these opportunities.

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[1] P.J.A. Ter Hoeven, Changing Patterns of Labour Market Behaviour. Sociologia Neerlandia v. 2. no. 1, Summer 1964, pp. 20-37.

Many of the elements exist for the development of the office as a local co-ordinating agency for manpower information, thought and policy. The Examiners therefore *recommend* that the Manpower Authorities should carefully review the present administrative operations at the local level, in order to complete the organisational framework and services, so permitting these offices to serve as area manpower agencies. The local director should constantly relate the information and knowledge about the nature of the labour supply and demand and economic developments, to advise the economic and physical planners more fully.

J. LABOUR MOBILITY

One big responsibility of the Employment Service is to keep abreast of the changing trends in the size and characteristics of labour mobility. Studies on commuting have shown that the rate of inter-regional geographical mobility has been reduced and that of commuting has increased. Current establishment labour turnover data have been found inadequate and the collection has been abandoned. A new series should therefore be established, because few data exist on the rate of occupational mobility. Similarly information on personal shifts in occupation is also lacking.

Sociological studies are showing that older patterns of job choice and recruitment are disappearing because of greater social mobility, freedom of movement and higher education. New job attitudes and life expectations, particularly among the young, reinforce movements away from traditional employments. Specific types of labour, unskilled, heavy and isolated work are being shunned, creating labour scarcity made up temporarily by foreign workers, commuters and marginal groups. But the basic difficulties remain, as in time these people adopt local cultural patterns, and recruitment problems continue to be troublesome.

The present tension in the labour market is evoking considerable interest in labour mobility and methods of stimulating and moderating its level in different circumstances. Individual enterprises and joint employer and union organisations are taking initiatives in this field to meet their specific needs.

It is the Public Employment Service's responsibility to understand trends and developments and provide careful guidance based on a thorough knowledge, to improve the individual's well-being, promote the national economic and social goals and advise employers and trade union bodies.

The Examiners therefore recommend that a detailed study of the trends in labour mobility should become part of the regular responsibility of the Employment Service. There should be a regular collection of data, including that on personal geographic mobility and job changes, and establishment labour turnover. The statistical findings should be supported by special research projects to help interpret and examine these trends, to understand labour market developments better, and to assist in general policy formulation, individual employment counselling and employer/personnel and individual relations programmes. Guidelines for mobility of job, people and enterprises may thereby be evolved to gauge both short, medium and long-term developments.

K. SUMMARY APPRAISAL OF THE ORGANISATION OF THE LABOUR MARKET FOR THE PRODUCTIVE ALLOCATION OF MANPOWER

The Netherlands has made an effective transition from the operation of an unemployment office to that of an employment office. Its Public Employment Office is a highly developed and competent organisation which has built up its prestige, status and effectiveness through better services, staff and operations.

The Examiners have listed a number of *recommendations* primarily for the purpose of advancing the transition of the service into a central institution for the operation of an active manpower programme. Among the suggestions are : close study of the industries and occupations which are not being covered, in order to serve these groups better ; the development of services and contacts with employers and the co-ordination of such services with the national office ; the regular publication of national and local surveys on the labour market ; the establishment, with the cooperation of labour and management, of an advanced warning system ; a clear definition of the techniques of adult counselling with the employment of special placement counsellors for the long-term and hard-to-place groups ; statements on occupational outlook added to individual occupational descriptions ; formal inter-area clearance system ; the distribution of and publicity for vacancy lists ; specific initiatives to help industries and areas to solve problems of seasonal and casual labour ; and district and local office directors should assume more responsibility and become consultants and advisers on local manpower developments, the problems and needs of local bodies, in order to make the service more effective as a local manpower agency.

Finally, the Employment Service should promote careful systems of data collection and research on mobility within the labour markets, and formulate guidelines to advise national and local authorities, employers and individual clients more positively on the current rates of mobility, job changes and plant turnover, in order thereby to contribute more effectively to a productive utilisation of manpower in the country.

Chapter VI

SOCIAL INSURANCE AND SERVICES FOR ADJUSTMENT AND MOBILITY

The effective promotion of mobility and adjustment to economic and technical change calls for a complementary system of benefits and services to protect people against the risks of employment and the vicissitudes of life, and to generate among individuals a sense of security in the midst of industrial change. With adequate social provisions for adjustment available for the individual and his dependants, he is likely to be more willing to accept innovations. In a full employment economy with rapid economic growth and rising living standards, consideration of the promotion of mobility from one job to another must be added. These programmes should not inhibit such mobility. The questions to which the Examiners have to address themselves are firstly, is the present system adequate for providing the sense of security desired in a changing society, and, secondly, does the operation of this system encourage or inhibit mobility?

A. SOCIAL INSURANCE AND SERVICE SYSTEM

Annex 5 of the country report sets forth the major components of the social insurance system, which includes health insurance, maternity payments, disability insurance, old age pension payments, survivors benefits, workmen's compensation, unemployment compensation and children's allowances. The coverage is virtually complete, and separate programmes exist for civil servants, miners and railroad workers. Steps are now being taken under the Labour Disability Act, which takes effect on 1st January, 1967, to integrate the health, disability, and workmen's compensation systems.

The health insurance provides both cash benefits for lost time and medical care. The basic compulsory system may be supplemented by individuals with voluntary insurance for additional benefits. A separate medical care programme covers doctor care, hospital costs, dental care, prescriptions, prosthetic, optical and acoustical devices, and costs of maternity.

The age and disability benefits cover invalidity, survivors and old age. Persons over 65 years of age receive benefits determined by the number of years of coverage, and are not required to retire to receive them. Decrements for lack of contribution do not apply for the pre-1947 period, if the person is a resident citizen and had 6 years of residence after the age of 58. The pension is supplemented by allowances for children and adjustments for changes in cost of living.

Most employees are covered both by industry "waiting" and general unemployment benefit systems, with the latter being the more universal, excluding only domestic services, temporary and public employees. Under both systems, the unemployed, to receive benefits, must be available for and be prepared to accept work, make sufficient effort to find work and register at a public labour exchange. Benefits may be denied if the unemployment is due to voluntary leaving, dismissal for misconduct, strikes or lockouts, refusal to accept suitable offers of jobs or to undergo prescribed training. The waiting period is fixed by industrial associations, usually at eight weeks. Persons on drawing maximum waiting benefits receive general unemployment benefits until these are exhausted.

The workmen's compensation system covers both accidents and occupational diseases and provides temporary and permanent disability, survivor benefits, and medical and other benefits, including payments for rehabilitation and job training.

Municipal unemployment and social assistance systems provide benefits for those not covered by the above laws and those who exhaust benefits.

The Netherlands' social service system consists of a governmental and denominational system. The first is operated by agencies at the provincial, municipal and local levels, supervised by the Ministry of Social Welfare. Some 4,000 denominational bureaux offer parallel services, though financial assistance and some types of child-care are typically governmental responsibilities. These bureaux offer either generic, specialised or community centred services, and cater for either special categories of persons or specific groups such as factories, hospitals or schools.

The new Public Assistance Act which became effective on 1st January, 1965, provides for assistance without conditions, except that clients are usually referred to the Employment Service for placement unless they are unable to work for medical or social reasons.

The unemployment insurance and public assistance systems both require beneficiaries to register for employment with the Employment Office. In the case of illness, injury, or unemployment, the social service system contributes substantially to prevention, therapy and the after care necessary to help people re-establish themselves in employment, and adds to the sense of security and social support. In addition, supplementary enterprise plans reinforce this feeling.

B. LABOUR MOBILITY ASPECTS OF SOCIAL SECURITY

The Examiners have not made an intense inquiry into this problem of the deterrents to mobility created by present systems. Their attention has been drawn to the inhibiting effect of some practices under the present system of "waiting" benefits. Management maintains people in short time employment by means of these benefits, even if the prospects for full time employment may not be good. The worker suffers because he thereby exhausts part or all of his unemployment benefits, which leaves him unsupported for periods of full unemployment. Moreover, he is discouraged from looking for a new job. In the past, observations were made on the experience in social workshops in which people feared taking up regular employment in case they might permanently lose their invalidity benefits. The Examiners *urge* the Manpower Authorities, in co-operation with the social insurance agencies, to make a close study of the practices which as a result of the programme have grown up in enterprises, and which tend to inhibit mobility.

Chapter VII

THE ENTERPRISE AND THE ACTIVE MANPOWER POLICY

A. INTRODUCTION

The individual enterprise is the primary site for the application of manpower power policy. The policies and practices of the enterprise developed on the basis of managerial decisions, collective bargaining or governmentally determined standards, regulations or requirements, condition the direction of the manpower flows, the use of manpower resources and the degree of the satisfaction of and co-operation by employees with economic and industrial change. The more nearly these policies and practices are brought into harmony with the basic goals of an active manpower policy and its detailed implementation, the more easily will national manpower objectives be realised.

The OECD Council, in its Recommendation on Manpower Policies, recognised these reciprocal relations. The Examiners will discuss in Chapter VIII, the administrative means for assuring consultation of management and trade unions to develop enterprise policies in line with agreed active manpower policies. Basically, the public and enterprise practices and programmes should complement and supplement one another to facilitate the realisation of common objectives.

In the past, the system of collective bargaining in the Netherlands has not been concerned with many manpower policy issues. The collective agreements usually dealt with the so-called "wage-bargain" rather than the conduct of the personnel in the enterprise. The wage-bargain has set forth the amounts of general wage increase, occupational rates, compensation for increases in social security or housing costs, holidays with pay, hours of work and overtime pay. Governmental decrees and regulations have covered many items such as the social benefits, and the surveillance of dismissals. The apprenticeship training system is administered by bipartite employer-trade union agencies quite independently of the collective bargaining machinery. In addition, bipartite industrial foundations consider broad industry problems.

Enterprise personnel and manpower policies and practices are usually unilaterally determined, except for the degree to which consultation takes place with works councils. Less than 30 per cent of the enterprises have such councils and these are not usually influential. They have not been particularly effective as channels for review of manpower policies.

The actual practices within Netherlands' industry have been noted in previous parts in connection with the discussion of specific subjects. In Chapter II, the attitudes and programmes toward the employment of women with family responsibilities, older workers, handicapped and foreign workers, were discussed. In the review of the quality of the labour supply, the

Examiners evaluated the enterprise facilities and performance in training and adjustment of new employees, particularly persons from rural areas and foreign workers. The programme for stabilisation of seasonal operations in the Construction Industry was reviewed in Chapter IV, and in Chapter V the emphasis placed on various aspects of personnel policy was discussed, including use of the Employment Service for recruitment, services to management, stabilisation of seasonal and casual labour markets, and labour turnover in the enterprise.

No overall view of personnel policies and practices is available for the country. A number of firms have elaborate personnel departments which are staffed with persons primarily with psychological and sociological training. Research in personnel questions is also sponsored by several large firms. A careful review is urgently required of the personnel systems, policies and practices, particularly as they affect manpower recruitment, utilisation and promotion.

The Examiners have chosen to consider one area which is central to the operation of an active manpower policy, namely the adjustment to economic and technological change. As industry grows in importance, its techniques and managerial methods become more sophisticated. As competition becomes more intense and the turnover of jobs and plants increases, these adjustment programmes are of the greatest importance for effecting the easy adaptation of the work force and assuring the minimum amount of redundancy.

B. ATTRITION AND TRANSFER

While there are practically no national industry or company collective agreements regulating the methods of dealing with job changes and displacement within the plant, observers agree that management broadly seeks to avoid outright lay-offs and undertakes to effect transfers within the plant. Some apprenticeship programmes, for example in the textile industry, provide such polyvalent training ; students are given a wide experience in anticipation of the need to shift from one job to another. The acceptance of the principle of avoiding lay-offs and relying upon natural wastage and transfers is inspired by the controls on dismissals which will be discussed later, and the scarcities in labour supply prevailing for several years.

Organised planning of manpower in the light of technological change is rare, although it is followed by individual firms. For example, the AKU met the problem of the reduction of its clerical and technical staff at its new Breda plant from 300 to 120 persons by anticipating the change, stopping the recruitment of new staff, and arranging for early retirements and transfers. Employees who moved to new locations were helped to find housing, and their removal expenses were paid at the rate of two months' salary. The Philips Company relies upon transfers. Relocation is restricted to staff employees who receive removal expenses and assistance with housing. Intra-plant transfers are facilitated by guarantees against reductions in earnings for persons over 50 years and with long service. Similar policies were followed by a large steel company which provided retraining and wage guarantees for persons transferred from old jobs to new ones.

C. ADVANCE NOTICE AND CONTROL OVER DISMISSAL

Present laws require that an employer provide employees with one week's notice for each year of service completed after the age of 21 years, up to a maximum of 13 weeks. (The building industry is exempt from this requirement.) Cash payments may be made in lieu of notice. As a result of this provision there is little use of severance pay systems as such. Nevertheless, individual industries and firms have such programmes. The sugar refining industry appears to be the only one with a national contract which calls for a rate of one-half of one week's pay per completed year of service, with a minimum payment of three weeks wages and a maximum of 13. The AKU pays such an allowance to workers who do not wish to accept transfer offers. It amounts to one half of one month's salary per completed year of service but it is rarely used.

The current laws regarding the termination of employment inhibit unilateral termination by either party. The primary reason for approval of dismissal is personal misconduct. The law is invoked only where either party contests the dismissal. In 1964 there were 17,509 employer and 28,976 employee petitions referred to Directors of the Regional Employment Services, whose approval is required. They consult with an employer and employee advisory committee. Special panels of advisers have been constituted for individual industries. It appears that many cases affect lower level white-collar workers, since moves from one plant to another are the primary means for their advancement. Few cases originate in the building industry or for blue-collar workers.

The main purpose of the law is to prevent unreasonable notices of termination. There is considerable concern over the continuance of these provisions. Both employers and trade unionists recognise the advantages and disadvantages of the programme. The following appraisal by an employer spokesman probably summarises the prevailing opinion concerning the provision :

> "Although this statutory regulation gives the impression of seriously encroaching upon the freedom of the parties, in practice it has contributed towards peace on the labour market, without materially affecting normal conditions. Representatives of employers and workers, as well as the labour inspection board, are consulted when an application for dismissal has to be judged. The interests of employer and employee are carefully weighed against each other. In the case of genuine redundancy, employers are not obliged to keep employees in service, nor are the latter kept on against their personal wishes. On the other hand, excessive turnover as a result of the tight labour market is curbed (the regulation has a preventive effect) and at the same time employers are restrained from rash action in the case of dismissal. Moreover, the procedure does much to promote the employment service's task of mediation. Nevertheless, one may ask whether this statutory regulation, however useful it may have proved in practice, is not assailable in principle."[1]

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[1] R. Nolen " Active Manpower Policy in the Netherlands " Report No. 6, in OECD " International Management Seminar on Active Manpower Policy ", Brussels, 14-17 April 1964. Supplement to the Final Report, OECD, Paris, 1964, pp. 83-96.

Contracts terminated in 1964 with the permission of the Regional Employment Service, 8,566 employers and 11,487 employees ; by mutual consent, 13,989 employers, 4,256 employees ; permission not given for termination, 950 employers, 5,987 employees ; request withdrawn, 1,208 employees, 2,791 employees.

The Examiners *recommend* that changes in this programme be considered as part of a total system of policies and practices dealing with redundancies and dismissals, and *urge* that a tripartite study be made based upon a full survey of current practices and policies and objectives.

D. EARLY RETIREMENT PLANS

In this survey on the methods of dealing with redundancies, frequent mention is made of the use of early retirement under supplementary enterprise pension plans which are common in large companies. The AKU in its programme for dealing with redundancy at its Breda plant, provided that those affected would receive 2.5 per cent of their salary at retirement for each completed year of service, but the total was not to exceed 90 per cent of the earnings which workers would have received had they stayed on until the retirement age of 65 years.

E. FINAL STATEMENT

The Examiners *urge* the Manpower Authorities and employers and trade unions to make a series of studies to define the present enterprise policies and practices on the matters directly related to the operation of national manpower policies, and to develop guides for managements to assist them in bringing their individual programmes in line with the agreed objectives of an active manpower programme.

Chapter VIII

ACTIVE MANPOWER POLICY

A. INTRODUCTION

The preceding Chapters discussed the current manpower problems and defined the Examiners' views of the tasks currently pressing on the Manpower Authorities. The present Chapter first presents the prevailing views of the Netherlands Manpower Authorities on an active manpower policy and then those developed by the Examiners for the purpose of this report. The former consists of a set of guides rooted in past experience and reflecting the tasks the country has approved for these agencies.

The Examiners present here a wider view of the responsibilities of the Manpower Authorities, particularly as they are now confronted by the problems of labour scarcity and the responsibilities for aiding in the promotion of economic growth in a manner which would minimise the tensions in the labour market and their impact upon costs and then prices. This wider concept appears to the Examiners inherent in the active manpower policy developed by the OECD Council and Manpower and Social Affairs Committee.

The Examiners see particular advantage in viewing the manpower problems in this broad light, as it helps in defining the role which the Manpower Authorities might undertake and the areas in which their expertise might be put to greater use, in order to promote the overriding objectives of economic growth and rising living standards. The Examiners have developed a series of tests for the fulfilment of their view of an active manpower policy to review specifically current activities and achievements within the Netherlands. This broader view has the additional advantage of permitting both the Netherlands Authorities and the Manpower and Social Affairs Committee to consider the full measure and meaning of the active manpower policy in a specific setting.

The Examiners realise that they have introduced considerations not encompassed within the ordinary operation of the manpower programme, but *believe* that they are appropriate for the full examination of the manpower problems currently arising, and which the country will face in the future. A schedule of priorities for introducing both long-term and short-term proposals has not been developed by the Examiners. Such a schedule could only be developed after closer study of the available resources, and general priorities.

B. THE NETHERLANDS' CONCEPT OF MANPOWER POLICY

The Report of the Netherlands Authorities in Chapter III part C (The General Directorate for Manpower "ARBVO"), sets forth the prevailing views of the aims of manpower policy in the Netherlands as reflected in the organisation and operation of this Directorate.

" There are two decisive characteristics of the labour market which to a large extent are fixed data at any given moment for the authorities responsible for manpower ; total employment opportunities on the one hand, and the size and characteristics of the labour force on the other. This, of course, does not mean that "ARBVO" has no influence at all on these matters. The creation of employment opportunities is influenced by general Government policy in the formulation of which the Ministry of Social Affairs and Public Health has a voice, but not the primary responsibility. The number of workers can be changed too, to a certain extent, by attracting or discouraging potential labour reserves, and by the policy with regard to the admission of foreign workers.

" There is growing acceptance in other ministries of advice from labour market authorities. Developments in recent years have brought manpower problems to the attention of all concerned with the formulation of overall policies, and have led to a better understanding of the factor labour in general.

" As the goal of manpower policy is to prevent or to correct frictions on the labour market, the labour force must as far as possible be adapted qualitatively and quantitatively to the actual and the future situation on the labour market.

" The main policy instruments used to achieve the above objective are :

1. the placement of labour in all its forms, i.e. advising job-seekers and placing them in suitable employment on the one hand, and seeking suitable candidates for notified vacancies on the other ;
2. vocational training for adults to prepare them for suitable jobs ;
3. occupational counselling and vocational guidance for the whole population ;
4. provision of supplementary employment opportunities for seasonal or structural unemployed ;
5. a number of selective instruments, such as dismissal regulations, migration schemes, measures for special groups."

A more general statement is that offered by the Ministry of Social Affairs and Public Health's explanatory memorandum accompanying the budget of the Ministry of Social Affairs and Public Health for the official year 1965.

" As regards labour market policy, the Ministry of Social Affairs and Public Health is endeavouring to ensure the fullest possible utilisation of the wage-earning working population within the framework of the existing and expected extent and structure of employment. On the other hand, insofar as is possible within the scope of his office (the Minister) is encouraging all measures and activities which are directed towards obtaining the fullest possible employment for the wage-earning working population at a given size and make-up of the latter. The policy must contribute towards establishing the best possible equilibrium not only between wage-earning working population and employment, but moreover between labour potential and employment in its totality.

" It goes without saying that, if in this way this equilibrium does not prove to be fully achievable, the (Minister) endeavours to eliminate disturbances, for instance by making provision within the framework of supplementary employment, by means of the international placement of labour, etc.

"It is of the greatest importance that there should be a close and effective co-operation between the authorities and business in all its manifestations. A vigorous and effective policy requires that the Minister has at his disposal not only the necessary statutory powers and financial possibilities, but also an expert body of dynamic-thinking officials capable of rapidly carrying out at the right moment the measures which he deems desirable, of encouraging activities and of giving information and advice, based on the most reliable possible data regarding working population, occupations and employment, and on well-founded expectations regarding development in these.

" In the years to come, too, structural changes may be expected as a result of technical, social and international developments, and these changes will call for constant adaptation of the working population to existing and changed employment with the minimum delay.

" International developments are increasingly having an effect on national labour market policy. This means too that more and more allowance has to be made for a development in which adjustment of the labour potential to the available and expected employment — and vice versa — is acquiring a supra-national character.

" As part of (the) endeavour to unify and simplify social legislation ... that (the Minister) must give some consideration to how the policy described at the beginning of this section can be quickly adapted to the actual situation by a modernisation of statutory powers. The present powers are insufficiently adapted for a modern labour market policy to developments in society as they manifest themselves on the labour market.

" (Present legislation) originated partly in the situation of pre-war unemployment and in the need for restoration and renovation in our society in the post-war years. Since then it has been possible to transform the policy of combating unemployment more into a policy of preventing unemployment. In addition, the conviction has increasingly grown that policy must be directed towards making suitable provision for those groups of persons whose participation in employment encounters difficulties because of personal qualities or defects. In fact the essence of this interpretation is that the aim of labour market policy is to fit the factor of labour efficiently into the production process and to make optimum use of it there. For this factor is of essential importance to economic growth in our society, which is needed to enhance the prosperity and the happiness of our people.

" The above has been reflected in a number of Bills in the (Minister's) field which have already been passed or are still under discussion. It is also necessary to consider to what extent it is desirable, in order to achieve these objectives, to widen and adapt statutory powers on behalf of labour market policy too, so as to make it possible to take effective policy measures and to make provisions quickly."

The above statement reflects an advanced concept of the function of the Ministry and its principal agency. The policy instruments include the wide range of techniques designed to promote employment for the unemployed, and for mediating between demand and supply in the labour market, and facilitating a higher level of manpower mobility needed for this economy.

C. THE EXAMINERS' CONCEPT OF AN ACTIVE MANPOWER POLICY

1. DEFINITIONS

An active manpower policy is a set or system of national policies specifically designed to enable the fullest employment of human resources within a free society — i.e. their maximum contribution to economic growth, stability and improvement of living standards — given the goals and objectives of that society.

An active manpower policy must be distinguished from employment and manpower policies which are not "active". The focus of employment policies is the number of jobs for the work force. In contrast, manpower policy is concerned with the quantitative and qualitative aspects of both labour demand and labour supply. Thus, employment policy is subsumed within the concept of manpower policy.

Another characteristic of an active manpower policy is that it is not a policy for a limited number of special groups. On the contrary, it applies to all human resources, all groups of people, and all kinds of employers. The approach is applicable to all types of economies : both economies enjoying full employment, and those with high levels of unemployment and under-employment, although the priorities of issues and nature of specific policies may differ among economies.

Manpower policies can be "active" in two senses. Firstly, with regard to administration : this implies that the manpower administrators are responsible for proposing policies and anticipating developments, rather than merely awaiting the development of programmes devised by other groups and acting accordingly. Secondly, with regard to substance : this implies that the policies encourage appropriate economic structural changes rather than perpetuate a status quo. Thus an active manpower policy provides opportunities for the adaptation and protection of human resources in the course of economic change which the policy itself might encourage ; whereas manpower policies in the past, at best, tended to provide protection and adaptation once the change had occurred.

2. OPERATING GOAL AREAS

The realisation of the active manpower policy necessitates consideration of many different aspects of the employment of human resources. These include the recruitment, the development, the allocation, and the productive utilisation of the labour force. In a world of rapid economic change there is seldom a smooth adjustment of people to the changing geographical and occupational patterns of employment. This gives rise, among others, to the problems of income maintenance for members of the labour force during periods of preparation for new occupations, or transfers or interruptions in employment. To achieve co-operation in the productive effort, individuals have to share in the benefits of growth and need to be assured that, during periods of change and adjustment, services and support will be available.

It is therefore quite apparent that those responsible for the formulation of an active manpower policy will have to consider various aspects of the operation of the labour market both currently and prospectively. For purposes of analysis these have been organised into five areas, namely, quantity of labour supply, quality of labour supply ; quantity and quality of labour demand ; labour market organisation, and economic and social protection.

The first area, quantity of labour supply, is concerned with the recruitment and assurance "of the availability of the manpower required"[1].

The second area, *quality of the labour supply,* focuses on the "development, to its highest functional, productive, and especially, adaptive potential, of the manpower resources".

The third area relates to *quantity and quality of labour demand.* This goal area has two aspects — demand when there is slack in the labour market and demand when the labour market is tight. The objective in the first case may be defined as "the stimulation, support and amplification of employment opportunities at specific times and in specific areas where these are, or threaten to be, insufficient to employ available manpower".

In the case of a tight labour market, the objective may be defined as the promotion of the expansion of high-productivity employments and the selective contraction of low-productivity employments, encouraging expansion in areas with labour reserves, and stabilisation of employment in seasonal and casual labour markets. Economic policies may dampen the demand for labour in one sector and expand it in another, to assist the labour market to perform its role as an allocator of human resources.

The fourth area relates to *labour market organisation* for the effective allocation of human resources. These labour market facilities and services seek to guide manpower when and where it is needed, to offer services which will enhance the workers' and the employers' ability to choose freely their work or employees respectively, and to assure the most productive placement and utilisation of manpower — both in terms of workers' well-being and that of the total economy — by encouraging movement from low to higher productivity employments.

The fifth area, *economic and social protection,* calls for economic and social maintenance and assistance during periods of unemployment or retraining and, at all times, sickness and welfare benefits for members of the labour force. The benefits paid by these social security and welfare programmes constitute essential supports for the operation of an active manpower policy.

3. THREE CATEGORIES OF COMPONENTS : MEASURES, TOOLS AND POLICY SYSTEMS

A review of the above components of the goal areas indicates that they may alternatively be rearranged into three categories. The first category would include *measures* aimed at certain specific objectives of manpower policy (for example, the recruitment of labour reserves, development of communities and the elimination of seasonal unemployment). The second category comprises *mechanisms or tools* used for effecting manpower policy per se (for example, vocational education, financial assistance for mobility and training, and vocational guidance). The third category relates to *independent policy systems* which are closely connected to the labour market and where there is an important interaction with manpower policy (for example, economic policy, social policy, educational policy and industrial relations policy).

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[1] The quoted portions of this section are derived from the work of E. Wight Bakke. See " An Integrated Positive Manpower Policy " in *Employment Policy and the Labour Market.* Arthur M. Ross, ed. (University of California Press, 1965) and *A Positive Labour Market Policy* (Charles E. Merrill Books, Columbus, Ohio, 1963).

Whether a particular measure or tool falls primarily within the jurisdiction of the Manpower Authorities will be determined largely by the conventions in individual countries. However, even if in practice they are in other fields, dedication to the concept of an active manpower policy requires that the Manpower Authorities in a country take an interest in the development and operation of these programmes and policies, because of their likely impact on the labour market and the demands they may make on manpower resources. Of course, the independent policy systems are generally outside the jurisdiction of Manpower Authorities.

D. ADMINISTRATIVE STRUCTURE

1. The Test : Is There a Single Manpower Agency ?

In a section entitled "Policy-making and Administration" of its Recommendation on Manpower Policy, the OECD Council provided the following guidance concerning administrative structure :

> " A central body, or adequate co-ordination between different existing agencies, is essential to formulate overall policy, to determine general directives, to identify strategic activities in the light of changing needs, and to initiate and develop new programmes and services. The manpower authorities should strive to ensure that the objectives of the national manpower programmes are fully recognised by all relevant sectors of government and that the employment objectives everywhere are given the high priority they deserve from the point of view of economic, political and human interests."

In the *judgment* of the Examiners, a distinction must be drawn between a single manpower agency charged with keeping abreast of manpower developments in the broadest possible sense of the term, and a central manpower agency charged with full administrative responsibility for all public agencies administering active manpower policy. It follows from the definition of an active manpower policy and from the description of the operating goal areas that, at a minimum, there must be a single agency charged with keeping abreast of manpower developments. It does not necessarily follow that this agency must have administrative responsibility for any of the public components of an active manpower policy. The Examiners *recognise* that the division of administrative responsibility within a country is dependent upon historical, political and many other factors. While, from an abstract point of view, the centralisation of all manpower functions under a single administrative unit might be considered, this may not be necessary, given the political institutions within a particular country. However, in the absence of a single administrative agency, the Examiners *would stress* the need for adequate co-ordination among the various existing agencies.

Therefore, *one test* the Examiners propose to apply is whether there is a single governmental agency charged with keeping abreast of manpower developments. The horizon for this agency is all human resources. Its minimum responsibility would be the continuing appraisal of the current situation with respect to the utilisation of manpower resources in a country, to determine whether they are fully engaged from the point of view of numbers, amount of employment or productive use ; to review the current and prospective developments within the economy and society generally ; and to identify the manner in which the more appropriate utilisation of manpower resources would contribute to the realisation of the broad economic and social goals set by the country.

This agency must be endowed with the appropriate functions and resources and enough leverage within the country's governmental and non-governmental structures to ensure that its proposals may be appropriately received, debated and acted upon. The agency must be a continuing body, and constantly alert to the changing situation and to the various attitudes of the governmental and non-governmental groups, in order to be able to formulate proposals promoting the basic goals of an active manpower policy and the nation.

2. THE GOVERNMENT PROCESS IN THE NETHERLANDS

It is clear from the description contained in the Report of the Netherlands' Authorities that no single manpower agency exists in the Netherlands.

On an overall basis the responsibility for keeping abreast of manpower developments rests with the Minister of Social Affairs and Public Health and is shared with the State Secretary, who is responsible, *inter alia,* for the General Directorate for Manpower. The General-Directorate for Matters of General Policy reports directly to the Minister and its responsibilities are :

1. to advise the Minister on questions of policy,
2. to co-ordinate research within the Ministry, and
3. to provide policy guidance to the other General Directorates.

In principle, even important policy decisions should be routed through this Directorate ; however, to date, this procedure has not become fully institutionalised. This Directorate has experienced delays in organisation. It was established in 1965 and has operated largely with personnel transferred from other General-Directorates. The promise of this General-Directorate has not yet been fully realised.

Within the General-Directorate for Matters of General Policy, the Division for General Questions in the Economic Field provides a mechanism for the co-ordination of the economic aspects of policies within the Ministry ; in time it may also provide an instrument for more complete co-ordination of the economic aspects of the Ministry's policies with the economic policies of other Ministries. Its function is to continue the study of labour market and economic developments, to provide recommendations to the General-Directorate for Manpower with regard to policies and needs, and to represent the Ministry in the formulation of national economic policy. To date, the principal activity of this division has been in the area of wage policy, not in the area of manpower.

In summary, the General-Directorate for Matters of General Policy has not realised fully the important role required for the important work assigned to it. The procedures for integrated reporting and evaluation within the Ministry need more development. Co-operative relations have been defined in principle and have evolved at the operating level in some areas which are generally not related to basic policy.

Manpower conditions are not formally evaluated at regular intervals, nor are reports regularly prepared expounding the policy measures required to meet the new needs.

At the present time, an overall appraisal of manpower utilisation is being made by the Social and Economic Council. This appraisal was initiated at the request of the State Secretary of the Ministry of Social Affairs in August, 1964. It resulted, in part, from questions asked during parliamentary debate in February, 1964, when the Council was asked "to consider to what extent further adjustment of manpower policy, either through modification in the application of the present regulations, or through addition to entirely new regulations, may promote economic growth at the highest level". The Council, upon receipt of this request, created an ad-hoc committee on manpower in March, 1965.

This committee on manpower, in turn, created three sub-committees : one on automation, one on general manpower problems, and one on the employment of women. In July, 1966 no recommendations had yet been made. The sub-committee on automation was in the process of holding hearings, the sub-committee on general manpower problems had defined the problems for study and was awaiting an appropriation of additional funds in order to conduct further research, and the sub-committee on the employment of women had issued an interim report. This report, which recommended removing certain legal obstacles to the employment of married women, was sent to the Council. After discussion, the Council sent it back to the ad-hoc committee for reconsideration on the grounds that the recommendations ignored the impact on the family of the employment of married women, and placed undue emphasis on the economic aspects of such employment.

The Council's full recommendations are not expected before the end of 1966. The Examiners *wish to call attention to* two aspects of these forthcoming recommendations : this is the first time that there has been an overall appraisal of manpower utilisation in the Netherlands ; the Council has had to initiate substantial original research.

3. CONCLUSIONS CONCERNING A SINGLE AGENCY

The Examiners, in reviewing this administrative arrangement, *recommend* the setting up of a formal governmental unit within the Ministry of Social Affairs and Public Health, charged with evaluating and reporting periodically to both the government and the public on manpower developments within the Netherlands, on the effectiveness of present measures and programmes, and on new requirements to attain the goals of an active manpower policy.

E. POLICY CO-ORDINATION

1. THE TEST : IS CO-ORDINATION OF POLICY PRACTISED ?

Identification of policy needs and the formulation of policy are the first two steps in the process of achieving an effective active manpower programme. They must be translated into specific measures, institutions and services. Adequate funds must be available for the administration of these programmes. The methods of implementation or the degree of administration directly in the hands of the central manpower authority will vary considerably among countries, depending upon history, personalities, governmental structures, and constitutional theories. In the past, when other policy or administrative agencies may not have taken action, the Manpower Authorities have often initiated and administered employment programmes of various types, including public works.

The Examiners *recognise* that their broad definition of manpower policy might give the impression that all policies which have manpower aspects should be administered by the Manpower Authorities. To avoid this misinterpretation, the Examiners *declare* that their conception of an active manpower policy is one whereby the Manpower Authorities take an active concern in the manpower aspects of other policies (e.g. economic policy, educational policy, social policy, and industrial relations policy) and also the effects of these other policies on manpower. This, of course, raises the question of co-ordination, the exact pattern of which varies among countries.

The Examiners will trace the administrative structure in the Netherlands as it relates to the components of the preceding goal areas and evaluate the adequacy of the co-ordination among the different governmental agencies and between governmental and non-governmental agencies. This will be done by using the following general pattern of types of authority :

a) *Directive or Administrative*

The central manpower agency may itself be an administrative agency, and thus decide on detailed policy for some part of the programme and administer it. It is quite common for the Employment Service to be identified with the operation of the central manpower agency. A number of countries have organised their system in this way and some students have recommended such a structure for countries where it does not exist.

b) *Indirect Administrative*

The particular agency would exercise this type of authority where it is in control of funds, reviews requests for use of facilities, provides assistance or has the responsibility for recurrent evaluation of specific programmes.

c) *Collaborative*

Among the arrangements which will be found, are cases where the manpower agency collaborates in policy formulation and administration with another agency so that it is, in effect, joint administrator.

d) *Advocacy or Advisory*

There are many public policy systems or areas which are currently considered separate and distinct from manpower policy, and in which decisions are taken which substantially affect or could be made to advance the goals of an active manpower policy. In these instances the central manpower policy or co-ordinating body has the function of providing advice on the manpower implications of proposed policies and programmes and/or suggesting policies and programmes which would promote active manpower objectives.

The systems or areas where the manpower agency may act as advocate or adviser run across many different fields. In the words of the OECD Council, it has the responsibility to "strive to ensure that the objectives of the national manpower programmes are fully recognised by all relevant sectors of government, and that the employment objectives everywhere are given the high priority they deserve from the point of view of economic, political and human interests".

We have in previous Chapters, already illustrated some of the independent policy systems or areas in which the manpower agency may find it desirable and often necessary to take an interest. One area is economic policy, for it affects general, local and sectoral levels of employment. In the Netherlands, the Manpower Authorities must consider the question of whether general economic policy and specific manpower policies should promote the contraction of less productive industries and assist in the shift of manpower and other resources to other more productive employments. In the past, the Manpower Authorities influenced the choice of employment projects in areas of high under-employment and unemployment, and the preference given to capital or labour intensive methods of production.

Another area is educational policy. The Manpower Authorities, we have seen, have close experience with the changing nature of jobs, the requirements of industry and the preferred preparation for work life, which enables them to offer expert advice on the appropriate length of compulsory school age, the age for occupational choice and the nature of the curriculum. In turn, as the Manpower Authorities are engaged in retraining, advice from the educational authorities on pedagogy would be helpful.

A third area is social policy. Social insurance programmes and welfare systems and services may impede or favour mobility or the restoration of working competences.

A fourth area is industrial relations policy. Industrial relations practices and manpower policy affect the rate of labour turnover, the burdens of adjustment and placement thrust upon the public employment offices and public training facilities, the degree of mobility, the utilisation of manpower and adaptability of jobs to the labour supply, and the willingness of people to accept or initiate change. In all such cases, there is a vital role of advocate and/or adviser to be performed by the manpower agency.

e) *Stimulative*

This stimulative role is particularly significant because it deals with the relation of government to private organisations, including employers' and workers' organisations, and individual enterprises. Since these occupy a practical and overwhelmingly important place in the economy and themselves generate policies in the enterprises, it is essential to harmonise the policies and measures with those of the government. This end can be achieved through research, discussion, legislation and continuing consultation and co-operation. Facilities must exist for collaboration between the government and enterprises not only to effect the policies formulated by the manpower policy agent but to influence the policies and actual practices in the enterprise — both those governed by collective-bargaining agreements and those resulting from management practice. The OECD Council Recommendation on Manpower Policy again provides guidance :

> " Employers and workers, through the development of manpower programmes on a plant, establishment, or industry basis, can make an important contribution to the promotion of economic growth. Such programmes, which will vary widely in both form and nature among industries and countries, can frequently be stimulated through appropriate labour-management-government consultation and co-operation. To be effective, such consultation must spring from an appreciation of the role employers and workers and their organisations can play in promoting economic growth and improvement in standards of all people."

2. The Locus of Manpower Policy by Function

This section locates the administrative responsibility for the components of these goal areas within the structure of the government of the Netherlands. For each component, the type of authority possessed by different agencies is identified. The types of authority used are :

1. direct or collaborative authority (responsibility for doing the job),
2. indirect authority (control of funds, assistance, or evaluation),
3. advisory influence (consultation or service upon request), and
4. stimulative role to non-governmental agencies.

In addition, the channels for the central direction, co-ordination or control are identified for each goal area and for manpower policy in general.

a) *Quantity of Labour Supply* — The components are :

1. *Mobilisation of Labour Reserves.* With the exception of ad-hoc action by employment offices, the major policy for the mobilisation of labour reserves (groups with low labour force participation and the underemployed) is that of internal migration from agricultural to non-agricultural employment. As discussed in the Report of the Netherlands Authorities, the increased labour force participation of married women is controversial in the Netherlands. At present there is no formal programme to increase the labour force participation of older workers, although the question is under study.

The movement of manpower from agriculture is a by-product of the rationalisation of agricultural production and not an attempt, *per se,* to obtain a better allocation of manpower, hence the rate of movement depends mainly on the rate of rationalisation. The primary administrative responsibility for this programme (except for placement in non-agricultural pursuits) rests with the Ministry of Agriculture. The Ministry of Social Affairs has promoted a system for the decasualisation of seasonal agricultural labour.

2. *Recruitment and Employment of Foreign Labour.* Primary administrative responsibility, including negotiation of agreements between governments, rests with the Manpower General-Directorate of the Ministry of Social Affairs.

The advisory function is performed by a newly created (May, 1966) permanent sub-committee of the Central Advisory Committee on Manpower.

Individual employers often employ foreign labour directly, and the various Ministries seek to conform with established policies both with respect to regulations on recruitment and employment as well as to those affecting housing, reception, and adaptation. Intra-governmental co-ordination is performed by the Inter-Ministerial Committee on Recruitment and Employment of Foreign Labour (chaired by the Director-General for Manpower) which advises on all policy matters except social welfare. Governmental-private co-ordination on social welfare comes from the Commission on Social Welfare for Foreign Labour (the chairmanship alternates between the Ministries of Social Affairs and Social Welfare) which advises the Minister of Social Welfare.

3. *Emigration of Nationals.* Primary administrative responsibility for the emigration of nationals rests with the General-Directorate for International Affairs within the Ministry of Social Affairs. The public information officers in the employment offices assist the National Emigration Service. The advisory role is performed by the Emigration Council. Public-private co-ordination is realised through the Emigration Board which includes representatives of the private emigration organisations.

4. *Observations.* The Examiners note that the Netherlands maintains policies and measures which originated during a period of great concern with unemployment. It has a functioning apparatus for the encouragement of emigration, which has declined to a volume lower than that of immigration. Old age pension benefits are paid at the age of 65 irrespective of continued employment, therefore leaving the choice of retirement or continued labour force participation to the individual. With the realisation of full employment, specific action for active recruitment of a new labour supply has been taken with respect to foreign labour. The Manpower Authorities in the exogenous movement of people from agriculture recognise another addition to the non-agricultural labour force. The country is studying the possibilities of recruitment of women with family responsibilities and the stimulation of the employment of older workers, and the policy issues involved. Consideration is also being given to the recruitment of other groups with marginal labour force attachment. Limited attention has been given to the possibilities of encouraging the transfer of people from declining or less productive occupations to those which offer more economic gain to individuals and to the economy. No systematic appraisal of longer term needs and resources for manpower has yet been made, nor has an integrated policy in this area been developed.

b) *Quality of Labour Supply* — The components are :

1. *Educational Policy.* Viewed over the long term, the primary external determinant of the quality of labour supply is the general educational policy. It provides the setting within which shorter term manpower policies operate.

Since 1919, direct administrative authority for education at all levels (except for agricultural education and vocational training of adults) is the responsibility of the Ministry of Education and Sciences. A new Act, passed in 1963, regulating post primary education up to the university level, is expected to be implemented by 1968. The Ministry supervises curricula and qualifications of teachers, and administers the tests and examinations in both public and private schools. The new educational system will provide for compulsory education for a period of eight years (up to the age of 14) and prescribes the separation of children into streams of secondary schools after six classes of elementary school (approximately age 12). The system is centrally controlled by the Ministry of Education and Sciences, except for agricultural education beyond the primary school which is controlled by the Ministry of Agriculture and Fisheries. The advisory body is the Educational Council, an independent body appointed by the Crown, which covers all forms of education. Parallel educational bodies exist for the "pillar" educational systems which have Pedagogical Centres to provide direction. The Ministry of Education and Sciences sets national standards, supervises curricula, and administers national examinations for all schools.

2. *Vocational Education.* As indicated above, the Ministry of Education and Sciences is responsible for vocational education ; there are, however, certain exceptions, the most notable being that responsibility for all agricultural education rests with the Ministry of Agriculture. Likewise, the Ministry of Culture, Recreation and Social Welfare is responsible for the professional education of social workers and of artists, and the General-Directorate of the Ministry of Social Affairs and Public Health is responsible for the professional education of nurses and paramedical personnel. However, the responsibility for vocational education in general rests with the Ministry of Education.

The advisory role in the specific area of vocational education is performed by the Technical and Vocational Education Department of the Council of Education and by the Vocational Training Committee of the Social and Economic Council.

At the present time there is no formal consultative mechanism between the Ministry of Education and the Ministry of Social Affairs. The latter's specialised knowledge of employment conditions and prospects is being considered through informal contacts in the formulation of vocational education programmes.

3. *Apprenticeship Training.* Apprenticeship training is administered by private bodies under the supervision of the Ministry of Education and Sciences. The Foundation of Labour recommended in 1945 that each branch of industry ought to have its own organisation for the promotion, development, and application of apprenticeship. This led to the establishment during the period 1945-1961 of central combined (employer-employee) training organisations in practically all branches of industry.

The Ministry of Education approves the training programmes, supervises teaching, appoints the panel of examiners which conduct the final examinations and pays the operating costs of the training organisations, including enterprises.

There is an exception for the new programme of agricultural apprenticeship which is described in Annex 13 of the Report of the Netherlands' Authorities. This programme is administered entirely by the Ministry of Agriculture in consultation with the Ministry of Social Affairs.

4. *Training and Retraining of Adults.* The Ministry of Social Affairs and Public Health has primary administrative responsibility for the vocational training of adults. This responsibility is lodged with the Supple-

mentary Employment Policy and Vocational Training Department of the Manpower Directorate.

The advisory role is performed by the sub-committee of the Central Advisory Committee for Manpower and by the Vocational Training Committee of the Social and Economic Council.

5. *Financial Assistance on Behalf of Trainees.* In line with the division of responsibility between the Ministry of Social Affairs and the Ministry of Education, the General-Directorate for Manpower of the Ministry of Social Affairs administers all assistance paid to adults undergoing training or retraining in its centres and approved industrial training programmes. All other training or educational allowances are administered by the Ministry of Education.

6. *Rehabilitation for the Handicapped.* The primary administrative responsibility for rehabilitation of the handicapped rests with the Ministry of Social Affairs and Public Health. In the case of sheltered workshops, the General-Directorate of Social Security and Labour Relations allocates money to municipalities which establish and administer sheltered workshops. Arrangements for the rehabilitation of the handicapped are made by the local offices of the Employment Service which is under the direction of the General-Directorate for Manpower, while the rehabilitation of persons injured by accidents is administered by the General-Directorate for Public Health. The Ministries of Defence, Culture, Recreation and Social Welfare, and Education and Science have indirect administrative responsibilities in relation to rehabilitation.

The advisory role is performed by the Council for Rehabilitation. Coordination of policies is achieved through the Inter-ministerial Committee for Rehabilitation and through the Netherlands Central Association for Rehabilitation.

7. *Social Development and Adjustment.* The aim of social development and adjustment measures in an active manpower policy is to reestablish individuals and groups in a stable and productive position in the labour market. This purpose is most visible with regard to rural migrants, foreign workers, the physically and mentally handicapped and the long-term handicapped and non-active people and groups. The responsibilities are distributed as follows :

a) The Ministry of Social Affairs and Public Health operates employment offices where many such individuals may be identified and special counselling is to be provided for them. It will refer persons needing additional aid to other agencies. It operates a rehabilitation service for the disabled and handicapped and sponsors special employment programmes for the purpose of rehabilitation and long-term substitute employment. It aids in the placement of all these groups. The Ministry co-operates with others in the supervision of the employment of foreign labour.

b) The Ministry of Agriculture and Fisheries operates programmes to prepare the rural population for economic and technical changes and to assist those leaving agriculture.

c) The Ministry of Social Welfare is developing an integrated social infrastructure : a variety of services are available which provide counselling, therapy and help people to make use of opportunities for their development and adjustment. It is also responsible for the "residential schools" which help problem families to adjust from living in slums to new and better lodgings. It co-operates with the Ministry of Social Affairs in the provision of social services for foreign labour.

8. *Observations.* The goal area of quality of labour supply emphasises the development of the productive and adaptive potential of manpower resources. The Examiners *note* that in the Netherlands this goal is approached independently by the Ministries of Education and Sciences, Agriculture and Fisheries, and Social Affairs and Public Health. Seemingly there are no procedures for viewing the development of manpower resources in the aggregate and for relating these developments to anticipated labour market demands.

The systems supervised by the Ministry of Education and Sciences are integrated. While the number of students in private schools is greater than in public schools, there is a close correlation and co-ordination of curricula, achievement and teacher standards. The new educational act of 1963 has led to a greater effort to create flexibility within each stage and transferability among schools, though the aims are still modest. The system of training adults, primarily those who are unemployed or currently shifting from agriculture or mining, is separate and independent of the above system.

The Ministry of Social Affairs is not represented in the interministerial committees, and thus the total labour market approach is not presented by the body which might be considered most knowledgeable. No information on the employment characteristics of the economy or on educational and training needs is provided by the Ministry of Social Affairs, and it does not make special studies or policy proposals. The Ministry of Social Affairs performs an important role in operating the modest and limited system of training for adults and is primarily engaged in retraining, but the vocational educational bodies are not formally represented in this institution.

There is close collaboration in the field of rehabilitation of the handicapped between the Ministry of Culture, Recreation and Social Welfare, the private bodies, and the Ministry of Social Affairs which sets standards for the workshops operated by private bodies.

c) *Quantity and Quality of Labour Demand*

For Manpower Authorities this goal area calls for advice to economic authorities on economic policy arising from consideration of the labour market. The components are :

1. *Annual Economic Policy.* The initial responsibility for the development of annual economic policy lies with the Ministry of Economics, assisted by the Central Planning Bureau. The Inter-Cabinet Committee on Economic Policy is particularly significant in formulating the Cabinet's agreement on policy ; the Minister of Social Affairs is a member of this Committee. The advisory role is performed by the Social and Economic Council.

In the formulation of annual economic policy, the Central Planning Bureau requires estimates of available manpower which are prepared by the General-Directorates of Manpower and General Policy Matters. The latter Directorate also has regular informal contacts in this field.

2. *Medium and Long-Term Economic Policy.* While responsibility for medium and long-term economic policy is the same as for annual economic policy, increased emphasis is now being placed on the promotion of economic growth. In this connection, the General-Directorate for General Policy Matters collaborates in the preparation of a mid-term forecast of labour demand as related to the educational requirements of the labour force.

3. *Industrial Development of Communities.* The primary administrative responsibility for industrial development rests with the Ministry of Economics, in conjunction with other Ministries. Briefly stated, the policy is one of promoting the development of nine "encouragement areas" through use, in the development nuclei, of

1. a system of premiums and price reductions for existing and new industries ;
2. provision for industrial land and industrial sites ;
3. construction of houses.

A manpower policy applicable only to industrial development is that married workers migrating to a development nucleus may receive an allowance in addition to the usual financial aid to movement. Primary administrative responsibility for these allowances rests with the General-Directorate of Manpower of the Ministry of Social Affairs.

The role of intra-governmental co-ordination is performed by the Inter-Ministerial Committee for the Encouragement Areas and by the Inter-Ministerial Committee on Physical Planning. Government-private co-ordination is performed through the Committee for Industrial Development in the Encouragement Areas. The Ministry of Social Affairs and Public Health is represented on these committees.

4. *Encouragement of Investment in Particular Industries.* The primary policy responsibility for encouragement of investment in particular industries rests with the Ministry of Economics. For housing and for agriculture there are separate Ministries. At the present time, priority is being given to the housing industry and the principal role served by the Ministry of Social Affairs is to provide estimates of the manpower available to the housing industry.

A policy for the rationalisation of small retail shops is to be implemented.

5. *Public or Emergency Works.* In the Netherlands, employment creation, other than that carried out under general economic policies and under regional and industrial development policies, is called "supplementary employment" and the primary administrative responsibility rests with the Supplementary Employment Division of the General-Directorate of Manpower of the Ministry of Social Affairs.

Other Ministries (Internal Affairs, Finance, Housing and Building, Transport and Public Works, Economics and Agriculture) have indirect responsibilities, and inter-ministerial co-ordination is achieved by the Public Works Co-ordination Board of which the Director-General for Manpower is the *ex officio* chairman. The Board deals with the general policies for public works, including those organised as a regular part of the total governmental expenditure programme and not related specifically to providing counter-cyclical employment opportunities.

The advisory role is performed by the Advisory Sub-committee for Supplementary Employment, a sub-committee of the Central Advisory Committee for Manpower.

6. *Counter-Seasonal Programmes.* The principal programmes relate to the building industry and consist of compensation for loss of wages due to inclement weather and subsidies for winter projects. The latter are administered and financed jointly by the building industry and the Ministry of Housing. No co-ordination exists with the Ministry of Social Affairs.

With regard to seasonal unemployment in agriculture, special mention has been made of the Hoeksche Waard pilot project. The General-Directorate for Manpower and the Social Affairs Department of the Ministry of Agriculture performed a stimulative role in creating this foundation, and the Ministry of Social Affairs is providing financial assistance for the initial three-year period. Preparations are under way to extend this experiment to four other areas.

The programme of supplementary works often provides employment for persons seasonally unemployed.

7. *Observations.* The labour demand goal emphasises employment creation at particular times and in particular areas. For this purpose, there is a well-developed and comprehensive administrative structure. However, the manpower agencies are only remotely related to aggregative policy formulation. The Ministry of Social Affairs may in the future be prepared to discharge responsibilities in this field if the General-Directorate for Matters of General Policy proves to be equal to the responsibilities of advising the Minister and the Ministry on the manpower aspects of the general economic programmes and issues. The latter has to present actively the Ministry's approach to economic problems and policies. The matters on which the Minister and Ministry have to comment relate to the full range of general and specific governmental policies, including growth programmes and counter-cyclical action. At present, the specific areas which the Ministry administers are limited to those relating to emergency works. It has provided services to the persons affected by industry reorganisation programmes in agriculture, mining and, in the future, retailing.

The historic interest in public works has given a bias to the Ministry's preoccupation with jobs for the unemployed. It has still to develop its full responsibilities of sharing in the development of policy in a full employment economy and taking the initiative of proposing appropriate policies for the operation of this economy and to dampen the demand for manpower in low productivity industries.

d) *Labour Market Organisation.* The components for the operation of the goal of labour market organisation are the following :

1. *Placement.* All placement (including local placement, inter-area placement, foreign labour, the disadvantaged, veterans, and agricultural workers) is the primary administrative responsibility of the General-Directorate of Manpower of the Ministry of Social Affairs. There are licensed private placement agencies in the areas of domestic service, arts and music.

The advisory role is performed by the Central Advisory Committee of Manpower.

2. *Vocational Counselling.* The above also applies to counselling, with one exception. The Ministry of Agriculture has full responsibility (except for placement) for movement from agriculture to non-agricultural employment. This procedure includes social counselling for those leaving agriculture.

3. *Vocational Guidance.* Primary administrative responsibility for vocational guidance rests with the General-Directorate of Manpower of the Ministry of Social Affairs. Vocational guidance is available in all district employment offices. Vocational information services (supplying job information for pupils, parents and teachers) are also available in the local employment offices. The Ministry of Education and Sciences working with the Ministry of Social Affairs, arranges for vocational guidance in the schools. This is done through the Institute of School Deans.

There are also private and municipal bodies, which receive subsidies for vocational counselling. Qualifications for their counsellors and officers are standardised. These standards are enforced by the inspector for vocational guidance, who is directly responsible to the Minister of Social Affairs.

The advisory role is performed by the National Council for Vocational Guidance, a body established by legislation and charged with giving advice to the Minister of Social Affairs and to the private institutions.

4. *Occupational Testing.* Same institutions as above, but very little job performance testing is done.

5. *Financial Aid to Movement.* Primary administrative responsibility for this rests with the General-Directorate of Manpower of the Ministry of Social Affairs.

6. *Housing Related to Movement.* There is no programme of providing special housing facilities to encourage people to move to special areas, except for the use of camps in relation to the emergency works programme and foreign labour. In addition, there are some foreign labour camps owned by industry and administered by the General-Directorate of Manpower.

7. *Advice to Enterprises on Manpower Programmes.* The Ministry of Social Affairs has not so far undertaken programmes for promoting personnel or industrial relations programmes for the adjustment of people within the enterprise to technical and economic change. The attitude hitherto has been that this was primarily the responsibility of the enterprise and of the social partners and that such advice as was given resulted from personal conversations with regional or local directors of employment offices.

8. *Decasualisation of Labour Markets.* The most fully developed programme for decasualisation exists for dockworkers, and this is operated by the collective bargaining partners.

9. *Observations.* The labour market organisation goal area stresses provision of labour market facilities and services. It is clear that the requisite services exist in the Netherlands and since all of them are, or

could be, administered by the General-Directorate of Manpower, the existing policies can be co-ordinated.

e) *Economic and Social Protection*

This goal area encompasses the portions of social policy which affect manpower and the operation of the labour market. The components are :

1. *Unemployment Benefits.* Primary administrative responsibility for unemployment benefits rests with the General-Directorate for Social Security and Labour Relations of the Ministry of Social Affairs. The advisory role is performed by a standing committee of the Social and Economic Council.

2. *Sickness, Invalidity and Accident Benefits.* Primary responsibility rests with the General-Directorate for Social Security and Labour Relations of the Ministry of Social Affairs. The standing committee of the Social and Economic Council performs the advisory functions. A new law to be enacted in 1967 will bring the sickness and accidents insurance under one large administrative body, and one mutual medical service will take care of rehabilitation.

3. *Old Age Pensions.* The comprehensive national old age pension scheme is the responsibility of the Ministry of Social Affairs and is administered by the General-Directorate for Social Security and Labour Relations.

4. *Public Assistance Benefits.* The new General Assistance Act consolidates the administration of financial assistance and is under the primary responsibility of the Ministry of Social Welfare.

5. *Medical Care.* Many large firms have preventive medical services, and a law is in preparation which will make industrial medical services compulsory. Should these not be available, municipal health services, under the responsibility of the Ministry of Social Affairs which subsidises them, and private agencies give help. The advisory role is performed by the Sickness Insurance Council.

6. *Social Services.* For people needing information and advice, general advice bureaux and specialised services are available, which are under the responsibility of the Ministry of Culture, Recreation and Social Welfare.

7. *Observations.* In this goal area, the administrative structure is, for the most part, within the Ministry of Social Affairs and Public Health. Although this structure facilitates the harmonisation of manpower policy and social policy, only preliminary steps have been taken to ensure co-ordination.

3. CONCLUSIONS CONCERNING CO-ORDINATION OF POLICY

This test focuses on whether means exist within the government for adequate co-ordination among the existing government agencies and between governmental and non-governmental agencies. The possibilities for co-ordination have been examined by setting forth whether there is, in the first place, within the Ministry of Social Affairs a unit charged with the particular component of manpower policy, and whether it has access through formal or informal means to other units within the Ministry, other agencies in the government, or non-governmental agencies vital to the particular area. These two aspects of co-ordination will be dealt with separately. To aid in this evaluation, a tabular summary of this information has been prepared and is presented as Table XI, "Manpower Policy in the Netherlands : Administration, Advice and Co-ordination, by Goal Areas and their Components".

a) *Co-ordination within the Government.* Examination of Table XI shows that primary administrative responsibility for the components of manpower policy is shared by a number of Ministries, that for certain of the components there is no inter-ministerial apparatus for co-ordination, that there is no administrative apparatus for the co-ordination of manpower policy in its totality, and that there is little opportunity for reaching into the non-governmental sector to influence its performance and coherence with public policy.

The disparity between the systems of co-ordination followed in the Netherlands and the system of co-ordination which the Examiners *deem necessary* may arise from the fact that the Examiners have adopted a broad definition of manpower policy. This point can be amplified by reviewing the five goal areas.

The Examiners' view of the goal area of *quantity of labour supply* presupposes that a policy decision will be made concerning what measures can be taken to vary the size of the labour force in relation to the magnitude of the demand for labour. Put into the present full-employment context of the Netherlands, this means a decision on how to increase the manpower resources by a combination of policies designed :

1. to mobilise the labour reserves,
2. to utilise foreign workers, and
3. to reduce the number of nationals working in other countries.

It also means guiding the present labour force in the interest of the individual and the economy to more productive occupations and employments.

In the Netherlands, the concept of this goal area is less broad and is seemingly confined to foreign labour, for which there is an inter-ministerial committee. What is absent is a mechanism to determine policy in relation to the total labour supply. The Manpower Authorities have a responsibility in this goal area to survey sources of manpower, to propose policies designed to increase the supply of manpower, and to implement these policies. If not empowered to institute such policies, they have the responsibility of advocating that the requisite policies be adopted. The present alternative of referring issues to the Social and Economic Council for original study, examination and recommendations is inadequate. It shifts the responsibility for initiative and overall responsibility from the government to advisers and inhibits the development of an integrated policy.

Turning to the goal of *quality of labour supply,* the view of the Examiners is broader than that of the Netherlands' authorities. The difference is that in the Netherlands, the role of the Manpower Authorities is centred upon training and retraining of adults, while the Examiners *would stress* the need for the Manpower Authorities to provide advice, based on their

TABLE XI. MANPOWER POLICY IN THE NETHERLANDS : ADMINISTRATION

THE GOAL AREAS OF MANPOWER POLICY	PRIMARY ADMINISTRATIVE RESPONSIBILITY		
	WITHIN THE GOVERNMENT RESTS WITH :		PRIVATE ORGANISATIONS :
	MINISTRY OF SOCIAL AFFAIRS GENERAL DIRECTORATE OF :	OTHER MINISTRIES	
	1	2	3
1. QUANTITY OF LABOUR SUPPLY :			
A. Mobilisation of Labour Reserves	No formal policy.	Agriculture.	
B. Recruitment and Employment of Foreign Labour	Manpower.		
C. Emigration of Nationals.	International Affairs.		Private emigrati organisations.
2. QUALITY OF LABOUR SUPPLY :			
A. Educational Policy		Education and Sciences.	Private educati systems.
B. Vocational Education ...	Public Health (nurses and paramedical personnel only).	Education and Sciences. Agriculture. Culture, Recreation and Social Work (Social workers only).	Private foundatio
C. Apprenticeship Training.		Education and Sciences. Agriculture.	Private bodies. Industry groups (c tral training as ciations).
D. Training and Retraining of Adults	Manpower.		Private bodies.
E. Financial Assistance on behalf of Trainees	Manpower. (adults only).	Education (other than adults).	

ADVICE, AND CO-ORDINATION, BY GOAL AREAS AND THEIR COMPONENTS

INDIRECT ADMINISTRATIVE RESPONSIBILITY WITHIN THE GOVERNMENT RESTS WITH : 4	INTRA-GOVERNMENTAL CO-ORDINATION BY MEANS OF : 5	GOVERNMENTAL-PRIVATE CO-ORDINATION BY MEANS OF : 6	NON-GOVERNMENTAL ADVISORY BODIES CONSIST OF : 7
Ministries of : Justice, Economic Affairs, Housing, Foreign and Culture, Recreation and Social Work.	Inter-Ministerial Committee on Recruitment and Employment of Foreign Labour.	Commission on Social Welfare for Foreign Labour.	Subcommittee of Central Advisory Committee on Manpower.
Manpower.		Emigration Board.	Emigration Council.
		Ministry of Education and Sciences (Curriculum, Teachers tests).	Educational Council.
		Ministry of Education and Sciences (Curriculum, Teachers tests).	Educational Council. Vocational Training Committee of Social and Economic Council.
		Ministry of Education and Sciences (Curriculum, Teachers tests).	Educational Council. Vocational Training Committee of Social and Economic Council.
			Vocational Training Committee of Social and Economic Council. Subcommittee of Central Advisory Committee on Manpower.
			Subcommittee of Central Advisory Committee on Manpower.

TABLE XI. MANPOWER POLICY IN THE NETHERLANDS : ADMINISTRATION

THE GOAL AREAS OF MANPOWER POLICY	PRIMARY ADMINISTRATIVE RESPONSIBILITY		
	WITHIN THE GOVERNMENT RESTS WITH :		PRIVATE ORGANISATIONS :
	MINISTRY OF SOCIAL AFFAIRS GENERAL DIRECTORATE OF : 1	OTHER MINISTRIES 2	3
F. Rehabilitation of the Handicapped	Social Security and Labour Relations. Manpower. Public Health.	Culture, Recreation and Social Work. Education and Sciences. Defence.	Private organisatio for the speciali sed rehabilitatio of the handica ped.
G. Social Development and Adjustment		Agriculture. Culture. Recreation and Social Work.	
3. QUANTITY AND QUALITY OF LABOUR DEMAND :			
A. Annual Economic Policy.		Economics.	
B. Medium and Long-Term Economic Policy		Economics.	
C. Industrial Development of Communities		Economics.	
D. Location of Investment in Productive Enterprise.		Economics.	
E. Public or Emergency Works	Manpower.		
F. Countering Seasond fluctuations (Construction).		Housing.	Industry groups.
4. LABOUR MARKET ORGANISATION :			
A. Placement	Manpower.		Licensed placem agencies.

ADVICE, AND CO-ORDINATION, BY GOAL AREAS AND THEIR COMPONENTS *(cont.)*

INDIRECT ADMINISTRATIVE RESPONSIBILITY WITHIN THE GOVERNMENT RESTS WITH : 4	INTRA-GOVERNMENTAL CO-ORDINATION BY MEANS OF : 5	GOVERNMENTAL-PRIVATE CO-ORDINATION BY MEANS OF : 6	NON-GOVERNMENTAL ADVISORY BODIES CONSIST OF : 7
Provincial Rehabilitation Foundations.	Inter-Ministerial Committee for Rehabilitation.	Netherlands Central Association for Rehabilitation.	Council for Rehabilitation.
		Ministry for Culture, Recreation and Social Work (Standards for financial aid).	
Central Planning Bureau.	Cabinet Committee on Economic Policy.		Social and Economic Council.
Central Planning Bureau.	Cabinet Committee on Economic Policy.		Social and Economic Council.
Ministry of Social Affairs General Directorates of Manpower and Matters of General Policy. ther Ministries.	Inter-Ministerial Committee for the Encouragement Areas. Inter-Ministerial Committee on Physical Planning.	Committee for Industrial Development in the Encouragement Areas.	
Same as (C.) above.	Ad hoc.		
General-Directorate for Matters of General Policy. ther Ministries.	Public Works Co-ordination Board.		Standing Committee of Central Advisory Committee on Manpower.
Manpower.			
			Central Advisory Committee on Manpower.

TABLE XI. MANPOWER POLICY IN THE NETHERLANDS : ADMINISTRATION,

THE GOAL AREAS OF MANPOWER POLICY	PRIMARY ADMINISTRATIVE RESPONSIBILITY		
	WITHIN THE GOVERNMENT RESTS WITH :		PRIVATE ORGANISATIONS :
	MINISTRY OF SOCIAL AFFAIRS GENERAL DIRECTORATE OF : 1	OTHER MINISTRIES 2	3
B. Counselling	Manpower (except for social counselling for movement from agriculture).	Agriculture (Social counselling for movement from agriculture).	Private counsellors for special groups
C. Vocational Guidance ...	Manpower.	Education and Sciences.	Private Organisations.
D. Occupational Testing ...	Manpower.		Private testing agencies.
E. Financial Aid to Movement	Manpower.		
F. Housing Related to Movement	No policy.		
G. Advice to Enterprises on Manpower Programmes	No formal policy.		
H. Decasualisation of Labour Market			
5. ECONOMIC AND SOCIAL PROTECTION :			
A. Unemployment Benefits.	Social Security and Labour Relations.		
B. Sickness, Invalidity and Accident Benefits	Social Security and Labour Relations.		
C. Old Age Pensions	Social Security and Labour Relations.		
D. Public Assistance Benefits	Social Security and Labour Relations.		
E. Medical Care	Public Health.		
F. Social Services		Arts, Recreation and Social Work.	

ADVICE, AND CO-ORDINATION, BY GOAL AREAS AND THEIR COMPONENTS *(cont.)*

INDIRECT ADMINISTRATIVE RESPONSIBILITY WITHIN THE GOVERNMENT RESTS WITH :	INTRA-GOVERNMENTAL CO-ORDINATION BY MEANS OF :	GOVERNMENTAL-PRIVATE CO-ORDINATION BY MEANS OF :	NON-GOVERNMENTAL ADVISORY BODIES CONSIST OF :
4	5	6	7
			Central Advisory Committee on Manpower. National Council for Vocational Guidance.
		Inspector for Vocational Guidance ; General Directorate for Manpower (Financial Aids).	National Council for Vocational Guidance.
			National Council for Vocational Guidance.
			Central Advisory Committee on Manpower.
			Social and Economic Council.
			Social and Economic Council.
			Social and Economic Council.
			Sickness Insurance Council.

specialised knowledge of the labour market, to the authorities responsible for general education, vocational education and apprenticeship training. The Ministry of Social Affairs should be prepared to summarise and, on an advisory basis, make available to the Ministry of Education its data and conclusions on the changing nature of jobs, requirements in industry, and preferred preparation for the work place. It should therefore counsel on curricula, methods of training, and critical ages of occupational commitment and job activities, and in turn, it should be advised by the experts of the Ministry of Education.

In the goal area of *quantity and quality of labour demand* the Examiners *note* that the Ministry of Social Affairs has recognised the important role it has to play in the formation and development of economic policy to assure stable employment and to promote economic growth. Creation of the new General-Directorate for Matters of General Policy reflects the importance to be assigned to the work of aiding the Minister in his role as a member of the Cabinet of Ministers on questions of economic policy and in representing or advising other representatives of the Ministry in their role in inter-ministerial committees of economic policy. Such representation now exists in the field of the encouragement of growth areas, physical planning, and public works. Hitherto the Ministry has concentrated on training, for the labour shortage occupations in construction and metal, those *unemployed* who happened to become available. It can play a more active role of relating manpower views to economic policy. This means, of course, acceptance of the philosophy that its primary obligation is not only to provide jobs when they are inadequate in number, but also to encourage the shift of employees to jobs of higher productivity thus encouraging the expansion of such employments. In an era of full employment, this stress on the quality of jobs must complement that of the quantity of jobs. This view prevails with respect to problems of seasonal unemployment in the construction industry, where methods are being developed for continuing winter construction rather than relying on inclement weather payments and subsidies for winter projects. The basic approach to be stressed is the realisation of higher productivity for individuals and for the economy and not merely that of jobs.

The components of the goal area of *labour market organisation* are primarily administered by one agency, the General-Directorate for Manpower. While problems of co-ordination of these components within government are therefore minor, it is essential that the organisation be responsive to the needs of long-term economic policy. The basically service approach with which the organisation has been administered in a period of full employment, is in contrast with the thoroughly innovatory and advisory approach it followed in periods of unemployment, when it promoted and stimulated the creation of employment opportunities. It is likely that the formulation of the government's medium and long-term economic programmes will be helpful in this respect. The guidance services will certainly have to take account of these findings. But the one field where co-ordination is most necessary is that involving the relation between the employment services and the individual enterprise.

Primary responsibility for the components of the goal area of *economic and social protection* rests with the Ministry of Social Affairs and Public Health and the Ministry of Social Welfare. The organisation of the General-Directorate for Matters of General Policy promises to provide a channel for the co-ordination of manpower and social welfare policy within the Ministry of Social Affairs. Relations have been established at the operating levels among the agencies of the two Ministries. The development of the special counsellors for hard-to-place cases in the employment offices will enhance the opportunities for more intensive relations between the two. No special study has been made of the question whether more formal relations are required.

b) *Co-ordination between Governmental and Non-Governmental Policies.* A great unevenness exists in the degree to which the governmental policy and standards are accepted or even recommended for acceptance or implementation by private institutions and agencies and enterprises. In the goal area of the quantity of labour supply, government policy is currently defined respecting foreign labour and emigration. In both fields the government works closely with the private bodies and has a collaborative relationship, in that each turns to the other for services.

As for the promotion of the desired quality of labour, the Ministry of Education generally enforces strict standards as to curricula, teacher selection and standards of achievement. Similarly concerning workshops, the Ministry of Social Affairs prescribes standards for the private workshops. As for the various social services aiding in social development, there are again standards set by the Ministry of Social Welfare.

Economic policy impinging directly on the individual or enterprise or on other organisations, usually sets precise standards for qualifications and amounts. The winter building benefits prescribe particular requirements for payments and encouraging winter construction. Benefits to enterprises locating in communities, and programmes for investment in productive enterprise also call for specific qualifications.

In the area of labour market organisation, private guidance and counselling agencies must meet the standards set by the Ministry of Social Affairs. The qualifications of those receiving financial aid in movement and housing are also clearly defined. The Ministry of Social Affairs administers the law regulating dismissals of employees in private enterprises. The governmental services have not developed methods of promoting the implementation of the underlying emphasis of an active manpower policy, based on the adjustment of employees affected by economic and technical change within the enterprise, through appropriate personnel measures such as transfers, retraining and job redesign.

4. RECOMMENDATIONS CONCERNING CO-ORDINATION

a) *Co-ordination Within the Government*

The Examiners *recommend* that the central unit within the Ministry of Social Affairs and Public Health, recommended previously, should be charged with the further responsibility of promoting co-ordination, within the government, between the Manpower Authorities and agencies and other governmental bodies responsible for the development of policy or administering programmes which may influence the development of manpower goals and programmes. An Interministerial Committee should be established on Manpower Policy to be served by this unit.

b) *Co-ordination of Public and Enterprise Manpower Policies*

The personnel and industrial relations policies and practices of the enterprise, when viewed in their totality, determine, to a large extent, the potential responsibilities that the public manpower facilities may be asked to undertake. Accordingly, these policies and practices require major attention for the actual execution of a national manpower policy. In the Netherlands, the public agencies complement and supplement the work done within and by the enterprise. In some areas there is close co-ordination so that common attitudes and programmes have been developed. But in other areas, there is no real co-ordination. An effort to bring public and enterprise policy and practice closer together would represent an innovation which would be in the national interest. Such an effort would entail close examination of current practices and the formulation of guides and policies for enterprises. Therefore, it would have to be developed on the basis of a co-operative effort of management, trade unions and the government.

The Examiners *believe* that a tripartite body charged with the above responsibilities could be instrumental in the effective realisation of the goals of a national active manpower policy. It should be supported by a staff to prepare the factual and analytical data needed for discussions and possible action by the body. Although it should be closely associated with the Ministry of Social Affairs, particularly with the principal manpower agency, and be served by the research staffs of the Ministry, it should nevertheless have an independent status. It should consider, among other subjects, enterprise programmes and practices for adjustment to technical and economic change, the aids which public agencies might provide for advancing the effectiveness of such programmes, redundancy provisions, dismissal notices, internal training programmes, and hiring policies and practices.

F. PARTICIPATION OF EMPLOYERS' AND WORKERS' ORGANISATIONS IN MANPOWER POLICY-MAKING

The OECD Recommendation on an Active Manpower Policy calls for "labour-management-government consultation and co-operation to promote the common goals of economic growth and improvement of the standards of all people".

Accordingly, the Examiners *propose* to inquire whether there is sufficient opportunity for participation by employers' and workers' organisations in the formulation and implementation of manpower policy.

Basically there is a very favourable disposition in the Netherlands towards advisory groups. They have been established by the government in many different connections, particularly on matters affecting economic and social policy. These bodies have been found to be essential to the attainment of understanding and stability in a country characterised by religious and economic segmentation. The religious groups have insisted upon retention of the administration and operation of many functions directly performed by government in other countries, and have in fact secured public financial support for their agencies. Advisory bodies have become essential instruments for co-ordination of the policy, the maintenance of standards and the work of the diverse private bodies which receive financial aid from the government to administer programmes. The advisory committee systems have become so important that in some instances they formulate public policy.

With respect to the manpower policy, we shall first consider the overall advisory groups of which there are two. The Central Advisory Committee on Manpower Policy operates directly in relation to the Manpower Authorities. It consists of two committees ; one dealing with policy for additional employment, which has been inactive in recent years, and the other with "National Labour Employment and General Affairs". Its subcommittees deal with problems of training, handicapped workers and vocational training. This Committee meets monthly.

The Central Advisory Committee is viewed by the General-Directorate for Manpower primarily as a means of securing advice on problems confronting the Service, and most of the items of the agenda initiate from suggestions by the Director-General for Manpower. It provides early reactions of experts in various phases of the labour market to new plans and ideas, and provides the consent, sanction and support for innovations and changes. It is not a body which takes many initiatives in reviewing the total labour market and its problems. It is deliberative rather than administrative in its pace and methods of operation. Discussions with representatives of employees indicate that they have not considered it in the past an appropriate place for initiating policy discussion on broad issues. The agenda of the Committee indicates that it has dealt with specific problems of interpretation or application of general policy and administration. The members have served as a means of providing information about operations to the represented agencies, but they have not generally used the data for regular communication to their local agencies. The Employment Service personnel have found the relationship useful and profitable and the continued operation of the Committee has helped to maintain better relations with the communities and support from all groups.

The committees attached to the regional offices appear particularly concerned with the application of general policy to local conditions and problems of co-ordination of activities. These committees can help to press issues on the national level which the director may be unable to do himself.

Another major advisory body is the Economic and Social Council. But it has not had a permanent committee on manpower policy, and when issues were presented to it in 1964, it had to create special ad hoc bodies. Without permanent expert staff in this field and with limited resources for study and research, it has not acquired an expertise in these fields. The considerable overlap of membership with the Foundation of Labour has tended to give priority to the latter, where urgent collective bargaining issues are discussed. It includes representatives of the major interests and has an immediate and broad concern with economic and social issues, with particular primary interest in the nation's economic stability and growth. It can relate its discussion of social issues to the central economic developments.

It would require a considerable expansion of functions and demand new resources for it to deal regularly with manpower issues. Being remote from the Ministry of Social Affairs, its immediate influence upon studies and policy in the agency concerned with these problems would probably be less direct.

Permanent and ad hoc advisory groups have been set up in many individual fields. The permanent groups are noted in Table XI. One of the most relevant for us is the Educational Council advising the Ministry of Education. Given the requirement that an advisory body dealing with manpower policy must have specialised competency and considerable resources, plus the fact that the primary responsibility is lodged within the Ministry of Social Affairs, the Examiners *recommend* an advisory body directly attached to its office, similar to that of the Educational Council, as most appropriate. It should concern itself with broad issues rather than with the administration of any one segment of the manpower programme.

Chapter IX

INFORMATION, FORECASTING AND RESEARCH

A. INTRODUCTION

The Examiners *believe* that the Manpower Authorities must be provided with necessary information, forecasts and research. These are vital for the development of the agency's own policies and should be widely distributed within the government so as to assist all agencies. They therefore *propose* to inquire whether there is an adequate collection of labour market data, forecasts, research on manpower problems, and procedures for the evaluation of the work done under existing policies and programmes.

B. COLLECTION OF LABOUR MARKET DATA

1. INTRODUCTION

An active manpower policy as envisaged in Chapter VIII provides for an agency charged with keeping abreast of manpower developments and, at a minimum, making a continuing appraisal of the degree of utilisation of manpower resources in a country. This implies that the agency should be provided with timely data on the most sensitive aspects of the labour market — changes in employment patterns, in labour force participation, in the structure of unemployment, in earnings, and in hours — as well as historical data, to provide perspective for its analysis and a solid base for forecasting and the study of trends.

With this in mind, the Examiners posed a series of questions concerning the availability of data on employment, unemployment, labour force participation, job vacancies, hours, labour turnover, part-time employment, multiple job holding, emigration and immigration, internal migration, commuting, foreign labour and frontier workers, productivity, wage rates, hourly earnings, income, and vocational education. The description of the available data and how they are collected is presented as Annex 7 to the Report of the Netherlands' Authorities. This section of the Examiners' Report will be confined to observations concerning the adequacy of the data, given the objectives of an active manpower policy.

There are three basic sources of manpower information — "establishment data" collected from the records of employers, "household data" collected from the population by means of a census or sample survey, and "administrative data" compiled as a by-product of the operation of governmental programmes and activities, e.g. social insurance and taxation. Each of these sources has its advantages and disadvantages.

Household data have a number of advantages. As the information is obtained from people, household data provide information on those neither employed nor unemployed but who would be available for work under some circumstances. For the same reason, it can also be the source of information on income, education, age, marital status, and sex, allowing the cross-classification of these variables with labour force status. As it covers the entire population (through sample or census), it is often the only source of information on the employment of workers in private households and in very small firms with rapid turnover, e.g. firms in the service industries, construction, and some branches of retailing. It is also often the only source of information on the activity of the self-employed and non-agricultural unpaid family workers. Since household data is a count of people, not of jobs, it enables estimates to be made of multiple job holding, of involuntary part-time employment, and of the total hours worked by each employed person in a given period, particularly when the individual worked intermittently.

Establishment data have the advantage of being obtained from records and are thus probably more accurate sources of detailed information, such as hours worked and hours paid for. Establishment data permit a fine classification of wage and salary employment by occupation and industry, and are most satisfactory for establishments that are relatively large and stable. Another advantage is that establishment data are relatively inexpensive for the government to obtain.

Since administrative data are the by-products of programmes and activities which have their own internal requirements, their relevance and merit as a source of manpower data vary and can only be discussed on an individual basis.

As certain types of information can best be obtained from establishments while other types can best be obtained from households, one can expect that, because there is no periodic labour force sample survey to supplement the decennial population census, the Netherlands' data will be relatively stronger in the areas where information is best obtained from establishments. One test the Examiners will apply is the adequacy with which administrative data supplement the lack of household data. Another is the extent to which the existing manpower data constitute a manpower information system providing reliable, comparable statistics.

2. OBSERVATIONS

a) *Employment Statistics.* Until recently, employment data were gathered from the decennial population census and a number of surveys of establishments. The Central Bureau of Statistics had developed a method of combining the information collected from the various establishment sources to obtain annual estimates of employment. The dimensions of this task can be inferred from Table XII : "Sources of Employment Data". When the first results of the 1960 Population Census became available, the discrepancies between the census figures and the estimates compiled from establishment data were of such magnitude that the CBS decided to stop relying on the combination of various estimates and to conduct a new survey of establishments.

Currently the CBS and the General-Directorate for Matters of General Policy are jointly developing the new survey, "Statistics on Working Per-

Table XII. SOURCES OF EMPLOYMENT DATA

SOURCES :	FREQUENCY OF COLLECTION	BROKEN DOWN BY :								
		INDUSTRY[1]	AREA	AGE	OCCUPATION[1]	PAST OCCUPATIONAL TRAINING	EDUCATIONAL ATTAINMENT	STATUS[2]	MARITAL STATUS	SEX
Population Census	Decennial (1947, 1960)	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Industrial Census	Decennial (1930, 1950, and 1963).	Yes	Yes	By 3 classes.	By broad groups in 1963 only.	No	No	Yes	No	Yes
Industrial Census (Manufacturing, Mining and Building)	Quarterly	Yes	Yes	No	No (except for building).	No	No	Wage or salary only.	No	Yes
Agricultural Census	Every 3 years	Yes	Yes	Yes	No	No	No	Yes	No	Yes
Social Insurance Statistics	...	Yes	No	Not run off.	No	No	No	Employed only.	No	Not run off.
Government Employment	...	Yes	Yes	Yes	No (except for teachers).	No	No	Yes	No	Yes
Wage Structure Survey ..	Every 3 years	Yes	By municipality.	Yes	Manual/non-manual only	No	No	No	No	Yes
Estimates by the National Employment Service	Annual	Yes	Yes	No	No	No	No	No	No	Yes
Statistics on Working Persons	Annual (first in 1966)	Yes	Yes	By 3 classes in alternate years.	No	No	No	Yes	Of employed women in alternate years.	Yes

1. Cross-analysis of employment by industry and occupation is available only from the 1960 census.
2. Whether wage earners or salaried employees, self-employed, or unpaid family workers.

sons". It will be a census of establishments employing 10 or more persons plus a 20 per cent sample of all establishments employing less than 10. A pilot study was made in September and October 1964 and the first results are expected soon. September 1966 is the target date for the first survey (for further details see Annex 7 and Table XII). The Examiners' observations will be limited to the status of the employment statistics after the new survey is in operation.

The Examiners *note* that the action represented, in essence, a conclusion that certain establishment data did not conform with results obtained from the household data, and a decision to improve the establishment data by means of a more satisfactory survey of establishments. The Population Census will remain the most comprehensive and detailed source of employment data. The new survey, "Statistics on Working Persons", will not contain any occupational data. In fact, the only source of data on employment by industry and occupation is the 1960 population census, as the 1947 census did not contain this cross-analysis. (The building industry is an exception, as it is the subject of a special quarterly survey which includes occupational information.)

The 1960 census will remain the only source of data on the marital status of the employed labour force, although the new survey will, in alternate years, contain data on the marital status of working women. The census will also be the only source of data on the educational level of the employed labour force.

Finally, there are no data on the past occupational training (as distinct from general educational preparation) of employees relative to their current employment.

b) *Unemployment Statistics.* The two principal types of unemployment data are labour force sample surveys and administrative data collected as a by-product of unemployment compensation programmes. The data in the Netherlands are of the latter type, as they are gathered by the local employment offices where the unemployed must register in order to be eligible for unemployment benefits.

Administrative statistics based on unemployment insurance have certain inherent weaknesses as sources of estimates of unemployment. These stem from the incompleteness of their coverage. Administrative statistics omit people in industries and small establishments not uniformly covered by unemployment insurance programmes. (In the Netherlands, this omission is not large, for statutory exclusions are limited to domestic servants, temporary employees, and public employees. Employees earning more than 10,900 guilders per year are also excluded.) They omit new entrants to the labour force looking for but without work, and workers who have exhausted their rights to unemployment insurance benefits.

The Netherlands' data on unemployment is the "registered manpower reserve" consisting of all persons aged 14 to 65 who are either unemployed or employed on additional employment projects, who are considered physically and mentally able to work and are registered at a public employment office as seeking full-time jobs. Unemployed persons consist of the wholly unemployed (persons without a labour contract) and persons temporarily laid off. Women are not counted as unemployed unless they are main breadwinners. Data concerning industry of the last employment are available, but not run off. (See Annex 7.3.)

The Examiners *note* that a labour force sample survey brings forth this type of information, plus data on unemployment of new labour force entrants and others not covered by administrative data.

c) *Labour Force Participation Rates.* In addition to the 1960 decennial Population Census, some limited information of an indicative nature is available from the census of social insurance conducted every two years and from the office of the inspector for protective labour legislation. However, the above is not sufficient to obtain an accurate picture of the changing patterns of labour force participation of young people and of married women. (See Annex 7.4.)

d) *Job Vacancy Data.* Monthly estimates of job vacancies are prepared by the local employment offices based on voluntary reporting by employers. (See Annex 7.5.)

e) *Statistics on Hours.* (See Annex 7.6.)

f) *Labour Turnover Data.* Statistics on labour turnover are no longer published as the data are not truly sensitive to the changing conditions. (See Annex 7.7.)
Supplementary turnover data are available from administrative sources, as dismissals and resignations require approval from the employment service. These data display marked cyclical variations and are available by industry and area.

g) *Part-time Employment.* As the only data available on part-time employment are in the 1960 Population Census, a labour force sample survey would be an excellent source and would permit a distinction to be made between voluntary and involuntary part-time employment.

h) *Multiple Job Holding.* Having no data on multiple job holding, a labour force sample survey would be an excellent source. Information may also be obtained in the Netherlands from the wage surveys (described below) or from administrative tax data.

i) *Internal Migration.* Using as its source the register of residence maintained by the municipalities, the CBS publishes internal migration statistics in considerable detail. (See Annex 7.11.)

j) *Commuting.* The Employment Service prepares estimates of commuting between labour office areas. (See Annex 7.12.)

k) *Emigration and Immigration.* Emigration data are collected by the National Emigration Service and immigration data are collected by the CBS from the registers of residence maintained by the municipalities. (See Annex 7.10.)

l) *Foreign Labour and Frontier Workers.* The data on foreign labour show sex, nationality, and whether they were recruited through official channels. Information on Dutch nationals living in the Netherlands but crossing the border to work in Germany or Belgium, is limited to estimates of numbers. Little occupational information is available. (See Annex 7.13.)

m) *Wage Rates.* Wages rates are available from the registered and approved collective bargaining agreements. (See Annex 7.15.)

n) *Hourly Earnings.* Establishments constitute the source for three surveys on hourly earnings. The first is conducted every three years under EEC auspices. The second is conducted every six months (April and October), and provides details by sex and industry. The occupational and area information is relatively weak. The third is a small (2,500 wage earners) quarterly fixed sample to gain an overall approximation of the movement of earnings. While the CBS regards the sample as being too small, others find it useful and would like to see it conducted monthly and expanded to provide data on hours worked.

o) *Income.* The CBS conducts a triennial study on income distribution, based on income tax returns. The occupational information is detailed for white-collar and self-employed persons, but not for manual workers.

p) *Vocational Education.* Administrative sources provide information concerning vocational education, apprenticeship programmes and adult retraining conducted by the government. Little is known about what employers do in the way of unsubsidised training. Information on vocational educational activities in enterprises is not requested in any of the establishment surveys.

3. CONCLUSIONS CONCERNING THE COLLECTION OF LABOUR MARKET DATA

The Netherlands' labour market statistics have consisted of discrete series which were not necessarily consistent with one another, nor integrated or responsive to the changing labour market conditions. They have not always been sufficient to provide the required insight into developments, and ad hoc surveys are, therefore, required to provide guidance on current problems. A statistics system should be devised to provide a continuous view of the labour market and the utilisation of human resources.

Achievement of consistent data requires a central reference series of a more global character, to which the individual series must ultimately be related. Then each type of special statistical information can supplement the other in throwing light on developments. In the case of establishment information, the information should be related to a reference series such as industrial censuses. The information on households or individuals will be tied in to the decennial census. Administrative data are, by their nature, collected for specific purposes, but the collectors might well consider the secondary uses of the information and develop it in such a manner that it can be considered in relation to either of the above two reference censuses, the industrial or establishment series or the household or population censuses.

The second need, after consistency and integration, is historical continuity of data, to permit the policy makers to examine past trends and project future developments. Existing series should be reworked to allow them to be considered in connection with the reference series and the newer types of data being developed. This process of building historical series of course brings immediately to the fore the question of benchmark years. The industrial censuses provide annual information, but the decennial census has left a broad gap to be filled in the form of labour force surveys. The latter have ultimately to be connected with an overall census.

The third requirement is for the collection of the data to be on a frequent enough basis to reflect developing conditions and variables. A manpower agency must identify the problems. Information on hours, hourly earnings and income are now collected once every three years. Information on employment other than manufacturing, mining and building is available on an annual basis. Data on labour force participation and part-time employment are to be obtained only in the census. Job vacancy and unemployment data are currently provided monthly.

The fourth requirement is to fill the existing gaps in vital information, such as age and sex of workers, marital status, continuity of employment, total hours worked, income, past occupational training relative to current employment and multiple job holding. Much of this data would have to be obtained on a current basis, through the household type of survey.

The Examiners therefore *recommend* that a full review be made of the current statistical information. This review would have as its objectives an evaluation of the adequacy of the statistics for the purposes of an active manpower programme, and would indicate the necessary innovations together with a schedule of priorities for such changes. The new statistical information should be consistent, i.e. related to major reference sources such as population and industrial censuses ; all series should be integrated into these programmes and users be provided with guides on how the information might best be related to the reference series.

The present effort to establish the series "Statistics of Working Persons" is highly commended as a contribution to the more effective use of establishment information. The statistical authorities should explore methods of bringing other surveys employing the establishment source within the system.

The establishment reports might, at intervals, report the amount of overtime and short-time worked, part-time employment, sex and age of employees, hourly earnings, labour turnover, occupational data, vocational and training activities.

The greatest gap in the information structure is created by the absence of a household survey of the labour force. Many aspects of the labour market can only be effectively studied through information collected in this manner. It provides data on labour force participation, part-time employment, intermittency of employment and multiple job holdings. Many technical problems will arise in building a survey of this type as a supplement to the decennial population census. The accuracy of such a survey is a function of its absolute size and in a country with such a relatively small population it presents a problem and may be costly. But the need for the information is so great that the authorities should assign high priority to the development of practical techniques for conducting such a survey. We call attention to the Swedish system of sample surveys based on a sample of individuals rather than households, and where the interviewing is done by telephone. Through study and experiment, a feasible and practical system might be devised and the information obtained in this manner would justify the investment in research for building this system.

C. FORECASTING

Limited use has been made of forecasts in the field of manpower. Demographic projections have been made by the Central Bureau of Statistics. Long-term demand and supply forecasts have been submitted exclusively for certain professions, namely doctors, physicists, engineers and higher technicians. These have been supervised by the Central Bureau of Statistics and Central Planning Bureau and prepared by special interministerial study groups.

Otherwise, the primary forms of forecasting are annual estimates of employment, unemployment, working population, and commuting during the subsequent year. These are developed within the General-Directorate for Matters of General Policy on the basis of the data collected by the local employment offices. The estimates on labour supply are relatively limited in detail, except for the building trade where the labour supply is the present principal determinant of the rate of construction, and the volume of building permits is related to the available supply of labour. The forecasts of labour demand are built up from the separate estimates derived from the short-term model of the Central Planning Bureau.

The interest in long-term forecasts is relatively new, but long-term estimates of labour supply have been made on the basis of census data. Work is now going on to develop techniques of forecasting labour supply by occupational and educational level and a number of the research projects previously referred to relate to this work. The regional supply forecasts follow the same procedures as those for the nation, except for the omission of the factor of internal migration which it was found difficult to handle. Long-term provincial employment forecasts have also been developed.

Now that the Netherlands government is entering upon a programme of organised medium-term forecasting, the opportunities for considerably more detailed forecasts of labour supply and demand will increase and further studies in this field would be most rewarding.

D. RESEARCH ON MANPOWER PROBLEMS

The active manpower agency is constantly confronted with the need for further knowledge in the areas where policy questions arise. At present there is only a modest budget and list of research projects. These are truly a start in this field but must be expanded to aid the policy makers and advisory agencies. In the absence of such research, the Economic and Social Council in its review of labour market policies had to initiate its own basic studies.

The formulation of research subjects should be a continuing responsibility in the manpower agency. Careful prospectives are required for such projects to permit them to be undertaken either under the aegis of the agency or by independent research institutions with funds from other sources. This procedure will have many independent benefits such as acquainting the research and academic leaders more intimately with the Ministry's research interests. Incidentally it will also help develop within the Ministry the expertise and skills necessary for translating its problems into subjects for research.

Eleven topics have been indicated as being currently in the programme, three have been started. The programme reflects an emphasis upon information in the field of vocational preparation for employment. Seven are related to jobs and education ; two examine occupational trends both as to number and job requirements in industry ; only one study centres on the supply problem in terms of the employment of handicapped persons ; and one studies the effectiveness of a labour market organisation tool, vocational information. With the importance of the questions of labour supply and the preoccupation of the Economic and Social Council with older workers and women, it would appear that more attention to the issues of labour resources would be in place.

E. CONCLUSION

The central manpower agency has a need for information to define the work and to test the effectiveness of the individual programmes. Therefore one of its significant sections must consist of a permanent group which receives administrative information from the individual agencies and subjects it to an analysis suitable for making these judgements. No doubt there will be need for supplementary administrative data as well analytical tools for evaluation. The latter will consider not only internal effectiveness but the relative benefits and costs, both economic and human, of the components of the programme at different periods.

Programmes for labour market data collection and forecasting and research in manpower problems should be more formally organised. A statistics system built on central reference systems providing for continuous historical series, based on frequency collected data, is essential to the manpower agency. Such a statistical system would provide a sound basis for future forecasts. The formal review of present procedures and needs *recommended* by the Examiners would contribute substantially to the integration of present efforts, and would produce a suggested schedule for developing necessary new information.

Research is essential to develop new statistical series and knowledge of labour market behaviour, and in order to understand the many problems now arising at the policy level. The responsibility for formulating on a continuous basis the agency's research interests and suggested projects, should be placed with a specific administrative official and regularly reviewed by the policy makers. This official should be in constant contact with research and academic specialists to encourage their interest and work in these fields.

A regularised procedure for ongoing evaluation of current operating programmes should be established in the central manpower organisation to make tests of effectiveness and relative benefits of the programmes at different periods of time.

Appendix

EXAMINERS' QUESTIONS

1. The Netherlands' authorities have recently adopted a number of fiscal, monetary, price and wage policies to restrain inflationary demands. What labour market measures were or could have been recommended by the Manpower Authorities to moderate the pressures on wages and labour benefits ?

2. Does the Ministry of Social Affairs have its own methods of detecting the development of conditions threatening economic stability and growth, particularly as they relate to the effect of labour supply, demand or mobility on such stability ? What procedure is followed in the Ministry of Social Affairs to review policies and practices to maintain economic stability and growth particularly in their manpower aspects ? Have estimates been made of the manpower impact of policies promoted by other Ministries to achieve such stability ? Have exceptions to general restrictive economic policies been made for industries and areas, such as encouragement areas, where an abundance of manpower permits less restrictive policies ? What role did the Ministry of Social Affairs play in establishing and defining these exceptions ? How is the Ministry organised for the promotion of new policies and practices by the government as a whole or by other Ministries, and for the areas of its own competence ?

3. What tests and guides are employed to determine whether the labour turnover rates for given enterprises are excessive ? Whether the number of job changes by individuals is excessive ? What steps are taken to reduce high rates of turnover and job changes ?

4. Is the reallocation of manpower from low income and low productivity industries considered a significant method of raising living standards for the population ? What methods are employed to foster outmigration and to attract manpower to higher wage and productivity areas ?

5. What means are used to determine the degree of under-utilisation of manpower in individual industries and sectors ? What action has been taken to remedy the situation and to aid in the reallocation of manpower supply ?

6. In what non-agricultural industries other than textiles, brick making and ship building is the labour supply contracting ? What steps are being taken to discourage people from entering these industries and to encourage transfers out of them ?

7. What systems exist for forecasting short, medium and long-term occupational, industrial and area manpower scarcities and surpluses ? What types of calculations have been made for each ?

8. What short and medium-term potential sources of additional manpower have been identified and what are their respective numbers ?

9. What are the principal occupations, industries and areas with labour scarcities ? How was this determined ? What are they likely to be in the medium-term future ? How is manpower encouraged to move to these labour stringency markets ? Are there specific recruitment goals for each area ? Is any distinction made in the order of public preference for filling jobs such as the encouragement for the building trades, or other growth sectors or areas ? How is information on scarcities communicated to the schools, general labour market, placement officers, and job applicants ? Are employers in low productivity industries warned that labour may not be available for them.

10. What is being done to encourage the training of persons skilled in the disciplines of labour economics and labour sociology, to improve expert analysis of labour market trends and mobility in government, the academic world and employer and worker organisations ?

11. What volume of the agricultural working population has been reallocated to non-agricultural pursuits over the last fifteen years ? To which industries and occupations have they moved ? What was the relative proportion of this number recruited from among hired labourers, farmers' families and farm owners ? What are the estimates of the size of such reallocation, by source, for the future ?

12. What are the estimated numbers moving out of the retail and small craft industry to dependent employment outside these sectors ?

13. What steps could the Manpower Authorities take to remove the barriers to the employment of married women, to encourage organisation of part-time work schedules and the improvement of community services for them ? What other steps can be taken to aid married women wishing employment to find it ?

14. Would the creation of a special co-ordinator for older workers' employment programmes in the Central Office of the Employment Office be a constructive step in the implementation of the Conclusions of the Manpower and Social Affairs Committee ?

15. The Netherlands Authorities still support financial assistance to persons emigrating to foreign countries in order to equalise the opportunities for such emigration of different economic groups. Why should such a high priority be given to the equalisation of opportunity for emigration when a labour scarcity exists at home ? Could not the funds be spent more profitably from the point of view of the labour market on equalising educational opportunities at home ?

16. What steps are being taken to guarantee to foreign labour not recruited through official channels the same facilities and protection as are given to those who are formally recruited ?

17. Are steps being taken to make the less attractive and low productivity and low wage jobs in which foreign labour is employed more attractive to native workers, or to reduce the number of such jobs ?

18. Would a negative economic balance and excessive pressure on social capital result from keeping the present or even higher numbers of foreign labour for longer periods of time, such as ten to twenty years, according them equal social and personal facilities, rights for family reunion and organising active programmes for integration ?

19. What programme could be organised to prepare foreign workers returning to their home countries for optimum participation in their own national economies ?

20. What additional studies on the occupational experience of people in the labour force are needed to aid the Ministry of Social Affairs to advise on curricula for work-life preparation and the achievement of occupational flexibility in adult work-life ?

21. What steps should be taken, other than a census of enterprise training programmes and practices, to evaluate the character, quality and numbers of beneficiaries of the present programme in preparation for recommendations for its improvement ?

22. With jobs in the modern sectors requiring more cognitive than manual skills, and supervisory jobs being increasingly preempted by technical school graduates rather than craftsmen, what will be the future function of the apprenticeship system in the Netherlands ? Should apprenticeship training be restricted to enterprises with good facilities and special training personnel ?

23. What changes would have to be made in the entrance qualifications, curricula, occupations selected for training and length of training at the Training Centres to make them accessible and useful to occupationally displaced persons, older workers, older women re-entering the labour force and persons seeking new skills or refresher training ?

24. Is the present practice of direct hire and training on the job adequate for those changing jobs or entering their first employment ? What plans are being made to fill in any gaps ? Would a sample study of the training preparation of the present work force be helpful in making this assessment ?

25. What will be the responsibility and the organisational position of the projected "special placement counsellor" for the long-term unemployed ?

26. What are the characteristics of the supplementary public works chosen for the revised system which will be better adapted to the new population needs and the current construction techniques ?

27. The accelerated economic growth of less developed geographical areas is vital to the utilisation of underemployed manpower and land resources, particularly in a period of great labour stringency. While many areas have benefited from the recent high growth rates, the development of other areas has still to be accelerated. What steps, other than the present incentives and the removal of building restrictions, could the national authorities take to promote these areas and to support local redevelopment activities ?

28. What problems would be encountered by the Employment Service in the establishment of the following services :

a) advanced warning system ;
b) inter-area clearance and vacancy publication ;
c) follow-up of placements ?

How could international surveys help in defining the particular installations appropriate for the Netherlands ?

29. Does the present system of review of dismissals operate to deter the major flow of workers among industries ? Does it primarily retard the movement of non-manual workers ? Are its restraints mainly limited to capricious discharge and resignations ?

30. What is the Employment Service doing to extend its initiative for the decasualisation of the agricultural labour market to other fields ?

31. What additional steps need to be taken to convert the district or provincial offices into local manpower agencies ?

32. Are the distinctions between general vocational guidance and adult employment counselling sufficiently defined and developed in the Netherlands to enable a special system of employment counselling for older people to be administratively implemented ?

33. Would a special co-ordinator for employer services in the Central Office of the Employment Service provide adequately for the development of the training of placement officers, the establishment of contacts with national corporations, and effective relations with employers in handling manpower problems both within the enterprise and in relation to the public agencies to promote active manpower policies ?

34. Please explain the methods used to reach the estimate of a 33 per cent penetration rate by the Employment Service ?

35. Does the Employment Service have almost complete coverage of all short-term placements (less than one week) in the building (04), entertainment (24), hotel (21), and restaurant (21) industries ? What is the arrangement ?

36. Does the Employment Service have any formal or informal agreements or understandings with the larger firms for the regular recruitment of personnel ? Does it have such agreements concerning the recruitment and placement of any professional groups ? of any union groups ?

37. How many placement officers were there in the district offices at the end of 1965 and how are they distributed as to industry and occupational responsibilities ?

38. What features of the present social security system require examination for their possible inhibiting effect on labour mobility ?

39. Would the organisation of a special unit in the Ministry of Social Affairs, studying enterprise personnel and industrial relations policies as they affect manpower mobility, be desirable for the ultimate formulation of policy guides in this field ?

40. What schedule of steps may be considered to link the structure for policy review in the General-Directorate for Matters of General Policy with an executive-type policy-deciding unit, associated with the political

officers of the Ministry, for the annual public reporting of manpower developments and programmes, for the evaluation of the effectiveness of present programmes, for the solution of current and impending manpower problems, for the submission of new and revised policies and programmes and for the initiation of greater interministerial co-ordination on manpower policy and programmes ?

41. Would the establishment of a tripartite agency for evolving guidelines on personnel and industrial relations policies and practices contribute to greater co-ordination between them and the public active manpower policies and programmes ?

42. Would the most practical approach to providing the factual basis for careful manpower planning and policy-making be a review of the statistical material on manpower available to the Ministry of Social Affairs. This review could be made by a special expert group which might propose a schedule of innovations for achieving consistency, integration, historical continuity, frequency of data and closing of gaps in information.

43. Would it be advisable to set up an international study group on methods of resolving the problems of organising household labour market surveys for small countries ?

44. Should a labour market research centre be established or promoted at one of the universities ?

45. In which fields will the report on national medium-term economic plans provide new opportunities for manpower policy development within the Netherlands ?

REPLIES BY THE NETHERLANDS AUTHORITIES TO THE EXAMINERS' QUESTIONS

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Question

I. MANPOWER POLICY, ECONOMIC GROWTH AND STABILITY

What studies and initiatives respecting the formulation and promotion of economic policies and programmes and what independent steps can or has the manpower agency taken to promote national economic growth and stability, in harmony with the optimum utilisation of manpower resources and the realisation of rising living standards?

Answer

For a proper understanding of the Dutch situation it should be pointed out in the first place that both Government and industry believe that the major objectives of post-war social and economic policy should be a high level of employment together with an acceptable growth rate, equilibrium in the balance of payments, a reasonable distribution of income and the highest possible price stability. These objectives have on several occasions been explicitly stated in Government documents and in the Social Economic Council (the official advisory body of Dutch industry composed of representatives of employers and employees and Crown members), even when the actual situation did not correspond to them in all respects.

As a part of this overall policy, an active manpower policy not only contributes to but is also a prerequisite of a growing economy and its balanced expansion. Conversely, however, a sound manpower policy can only be followed if it is integrated into a consistently and harmoniously constructed social and economic policy.

This means that the effect of a policy based on these principles varies, and should vary, according to the circumstances prevailing at a given moment. Top priority will have to be given first to one then to another aim of social and economic policy. This is particularly true when the business cycle phenomenon is taken into consideration. Although structural problems often relate to longer-term objectives, shifts in emphasis can also occur in these objectives. Moreover, it should be constantly borne in mind that longer-term objectives can only be realised via shorter-term objectives.

The Netherlands Government has tried in the post-war period to be guided as much as possible by these principles in its social and economic policy in general and in manpower policy. The manpower authorities have always been involved in the development and implementation of this policy. In some cases they have acted as initiators or as co-initiators of an activity, and on other occasions they have contributed towards the elaboration and implementation of a policy amended in the first place on the initiative of other authorities.

Even when agreement exists on the objectives of social and economic policy, the institutional and organisational forms of elaborating and implementing such a policy may vary. In the Netherlands, preference has always been given to a form of organisation which is not rigidly centralised. The institutional form given to the policy is also governed not only by theoretical considerations but also by historical and psychological circumstances.

The necessary complement to an organisational set-up which is not uniformly centralised, is well-developed coordination. This is the only way of ensuring that the policy is not split up into separate parts operating independently of one another, that a balanced policy is followed and that this policy continues to respond actively to the ever-changing circumstances.

In the Netherlands coordination at central level — i.e. not at provincial or municipal level — is ensured in the first instance by the Council of Ministers or in appropriate cases by a special committee of this Council. In the social and economic field this body is the Council for Economic Affairs. All important decisions are taken by these bodies. For the general social and economic policy, i.e. the policy not primarily keyed to certain branches of industry, the Ministers of Economic Affairs, of Finance and of Social Affairs and Public Health are primarily responsible. It may be added in this connection that, in principle, Dutch Ministers are all of the same level, which is important in decision-taking in the Dutch political situation.

In addition to the normal consultation between the officials of the various ministries concerned, there is also the Central Economic Committee. This is a body composed of high officials from the Ministries of Economic Affairs, of Finance and of Social Affairs and Public Health, which discusses social and economic development and, if necessary, prepares policy measures for submission to the Cabinet and advises the Cabinet from time to time when important decisions in this field have to be taken. The Secretariat of the Committee comes from the directorate of the Central Planning Bureau. Other Ministries appoint members to this Committee. It should, however, be pointed out that this Committee meets only occasionally.

Another important policy coordination body is the Central Planning Bureau which is part of the Ministry of Economic Affairs. Before submission to the Government, draft "plans" are discussed in advance with the Ministries and with representatives of industry in the Central Planning Committee in order to see to what extent the policy needs amending.

There are other consultative and advisory bodies, such as for instance, the Public Works Coordination Board in the manpower sector.

Finally, an important part is played by the Social Economic Council, the top organisation of industry organised under public law, which has several times advised the Government on important aspects of social and economic policy.

In all these contexts manpower policy plays a role of varying importance. The manpower authorities have many opportunities of making their voices heard and exerting their influence. They have largely helped to determine post-war policy, have taken the initiative with regard to it and performed studies.

In order better to key the policy of the Ministry of Social Affairs and Public Health as a whole — i.e. including manpower aspects — to the general social and economic development and to foster internal coordination of the various component parts of the Ministry, a General Policy Matters Directorate was instituted some years ago. This Directorate deals particularly with analysis, research and study in the general social and in the economic field so as to ensure that the policy is scientifically well founded and to help ensure a sufficient say in general policy.

Finally, reference may be made to a number of post-war developments on the social and economic plane in which manpower aspects have played a significant part. First of all there is the structurally oriented industrialisation policy. The industrialisation policy is the responsibility of the Minister of Economic Affairs. However, this policy has constantly been very obviously attuned to manpower aspects, for which the manpower authorities have made their contribution, taken action, etc. Its purpose has been to ensure suitable employment and a reasonable income for the rapidly growing population. When industrialisation policy later became more regionally oriented, the manpower aspects played an important part in it. Here too the manpower authorities have been constantly involved in the establishment and development of the policy.

Industrial development was accompanied by a reduced influx of workers into agriculture and later by an exodus of persons employed in agriculture. Here again the manpower authorities contributed to the solution of these problems.

In recent years the Netherlands Government has paid special attention to the building trade. In this case, too, major manpower aspects were involved which required consideration by the manpower authorities.

Now that the Netherlands are basing their policy on the medium-term forecast, it looks as if manpower problems will become increasingly important and will call for the unremitting attention of the manpower authorities.

In connection with the business cycle also, manpower problems have demanded repeated consideration. This has often led to steps being taken with regard to manpower policy. However, it should always be borne in mind that the manpower aspects are only one of the elements of the business cycle phenomenon, so that a coordinated approach from various sides is always necessary.

During the cyclical overstrain that prevailed in 1963 and gave rise to Government measures, measures were also taken in the field of manpower supply, such as less tax on overtime earnings, more permits for overtime, encouraging (married) women to go out to work by furthering equal pay, removing limits to the number of foreign workers to be admitted, considering changes in old age benefit regulations, etc. However, it should be expressly stated that these measures were only part of a greater whole. Steps were taken later to relieve the overstrain, as for instance the announcement of a ban on a further reduction of working hours. However, manpower measures can make only a limited contribution to the solution of the problems of an overstrained labour market. Monetary, budgetary and incomes policy measures may be needed in the first place. Those concerned have been constantly aware of these aspects.

Now that there is a relaxation of the strain and, in certain areas, an undesirable volume of unemployment, measures are being recommended and carried out, in part by the manpower authorities, which may lead to a balanced development.

In conclusion it may be pointed out that the problem of automation which is steadily growing everywhere, including the Netherlands, is receiving increasing attention and study in this country by the authorities, the Social Economic Council, etc. It is expected that a better knowledge of automation problems will allay exaggerated fear of this form of technological development.

Question

II. STRUCTURAL REALLOCATION OF LABOUR

What positive steps should the manpower authorities take to encourage people in periods of labour scarcity to move out from low income, low productivity and contracting occupations and industries into those which are growing and will provide a higher income?

Answer

In the first place, it is the policy of the Netherlands government, within the framework of the Dutch social and economic structure, to promote expansion of the economy and its adaptation, both as a whole and in its component parts, to new developments and opportunities.

Although this policy is primarily conceived on broad lines, for example towards establishing the general post-war pattern of national and regional industrialisation, nevertheless measures directed specifically at particular basic industries have been taken from time to time.

In addition measures have been or are being taken for branches of industry whose structural development is less favourable, or whose further expansion is unlikely. Examples of these are agriculture, medium-sized and small businesses in the retail trade and the crafts, etc. Other branches such as mining, shipbuilding and the textile industry were added later, and here again special measures have been taken or are envisaged.

The employment aspect is obviously important in the above-mentioned structural social and economic policy.

However, the Government does not go so far as to base its policy — for instance its labour market policy — on a schedule of priorities classified according to branches of industry or possibly individual concerns, using their productivity as its criterion. In the Government's view, it is not only difficult to use the criterion of productivity for such a purpose — quite apart from the fact that productivity may vary greatly in the various branches — but moreover the establishment of a more or less stringent schedule of priorities might entail too great a responsibility for the Government.

It is probable, however, that in the years to come the Government will give business more information and advice on development trends and possibilities. In particular the medium-term forecasts which have been vigorously undertaken in recent years may become increasingly important in this respect. Attempts are also being made to arrive at longer-term forecasts, for instance in the field of manpower supply and demand.

Question

III. NEW LABOUR RESOURCES

What are the short- and medium-term potential resources of additional manpower and what are the potential numbers of people to be secured from them considering present obstacles ? What steps can be taken to expand the potential size of these groups ?

Answer

1. According to the Examiners' Report, the principal labour reserves are to be found among married women. The Examiners acknowledged that the Government was fully alert to this issue, but thought more governmental initiatives essential to enable women with family responsibilities to take up employment if they wished.

Some initiatives taken by the Government are not as far-reaching as the Examiners would have liked. The Examiners mentioned a number of these initiatives in their report : tax reliefs on the husband's income when it includes the wife's earnings also, better vocational training, lifting the ban on employment of married women in the civil service and schools, special hours of work for women with family responsibilities, etc. A few years ago, arrangements made in a number of employment offices to place women in part-time jobs met with only very limited success.

The Institute for Psychological Market and Organisational Research held an investigation in this field early in 1963. The results of this study have been discussed in the Central Advisory Committee. The conclusions of the Committee were very cautious. It found that there was in general a growing interest among women with family responsibilities in taking up employment, but at the same time the Committee thought there were some impediments due to working hours, fiscal systems, working conditions and facilities, and to the difference in attitude towards male or female workers. In its advice the Committee stated emphatically that measures to overcome these impediments should be of a structural nature. This means that the Committee was opposed to temporary measures in times of a labour shortage which could be cancelled when the labour market was less tight. It was aware that the whole problem in the Netherlands was very complex and somewhat controversial ; there was considerable mental resistance, for religious and traditional reasons, more by the male than by the female population. The Committee therefore advised further study and deliberation.

As Dr. de Meijer mentioned in his speech, the problem is now under consideration in the Committee of the Social Economic Council, which is preparing its advice on labour market policy.

Here again it is clear that the problem cannot be tackled only from the economic point of view ; the interests of the family itself and the responsibility of the family will play an important part in the ultimate advice. As the advice will pay broad attention to ways of removing impediments, it will have to be discussed with the other ministries concerned. It is clear, however, that it is not only Government measures which are needed, but a change in attitude by all parties concerned.

While awaiting the advice of the Committee, the manpower authorities are continuing to study all the relevant problems and much attention is given to studies in this field, e.g. by the OECD.

The Government's point of view at the moment is not to give active encouragement to women with family responsibilities to take up employment, but to follow developments without hampering them. The participation rate of married women in the wage earning sector is growing slowly, but it is a long road with many difficulties which have to be handled very carefully. It is unlikely that there will be any big rise in the number of working women in the short or medium-term.

2. Another potential group is the agricultural labour reserve. According to the figures given in the Examiners' Report, about 123,000 people left agriculture between 1948 and 1962 and started to work in non-agricultural occupations. In the last three years accelerated out-migration of hired farm workers and farmers' family members has taken place in connection with intensified mechanisation and with the possibilities which where opened up by regional industrial development. It is estimated that the volume of out-migration will decline from the present 10,000 a year to 5,000 in 1970. The importance of the agricultural sector as a source of additional manpower is therefore decreasing. In this connection attention has to be paid to the "Hoekse Waard Project", an experiment for improving the quality of agricultural manpower, which is described in Annex 13 to the Netherlands Report. The experiment will be extended to four or five other areas.

3. Still another category in this connection is what is called in the Report "the disadvantaged groups". It was noted with satisfaction that the Examiners' Report gives a detailed view of what is being done for this group and commends the Dutch system of retraining for mentally and physically handicapped.

4. The Examiners believe, however, that more could be done for a part of this group, the older workers. They illustrate their opinion by stating that in February 1966, 27 per cent of the registered male unemployed were 50 years and older, and over 20 per cent of this group had been unemployed for at least a year.

It should be realised, however, that 27 per cent of the total labour reserve amounts to only about 8,000 people, spread all over the country. There is resistance in the Netherlands to classifying them as a special group, thus labelling them more or less as handicapped and giving them special treatment.

Hundreds of workers of 50 years or older are just as capable as younger people and, if they become unemployed, will find a new job as easily as younger people, without any special care or treatment. A small number, however, do have trouble in finding new jobs and these receive special attention in several ways.

Some years ago an improved training scheme (mentioned in Annex 8 to the Netherlands Report) was started for placement officers. A course was organised to develop special placement methods and to train placement officers especially to handle hard-to-place workers. Additional useful and interesting experience was acquired from the OECD project for social adjustment. As a follow-up it has been decided to create special counsellors in the employment offices for hard-to-place unemployed workers including older workers. A study is still in progress to decide whether special action should be taken for the total of 8,000 unemployed older workers all over the country. This number, after all, cannot be considered as an important potential source of additional labour.

5. In his speech Dr. de Meijer alluded to the remarkable difference of approach by the Examiners in the two categories : women and foreign labour. In the case of foreign labour the Examiners do not ask for removal of barriers, but they do ask what steps are being taken to guarantee the same facilities to workers who are officially recruited and to the so-called tourists. In view of the Examiners' pronouncement on priorities "foremost the recruitment of the required labour force", it might have been thought that they would urge the Netherlands Government to be more active in recruiting and employing foreign workers, who are available and willing to work, while Netherlands' women are not — at least not in sufficient numbers.

In answering the Examiners' question the recent decision of the Council of Ministers should be mentioned, that measures must be taken to shift the accent as far as possible from spontaneous migration to recruitment by official channels. At the same time it has been decided that residence permits can be denied if certain basic conditions are not fulfilled. Housing conditions of a lower level than that regarded as generally acceptable in the Netherlands will not be tolerated, nor will such conditions be allowed to continue where they already exist, which is in a relatively small number of cases only. All migrants must undergo a medical examination and employers will have to participate in adequate provisions for reception and social support to facilitate the adaptation of foreign workers and eventually of their families. The Government usually contributes 70 per cent to the costs of programmes sponsored by private institutions. It must be stressed that these measures are inspired solely by social considerations in order to protect both foreign workers and the Dutch population. To remove any impression which the Examiners' Report might create that nothing, or very little, is being done in this respect in the Netherlands, reference may be made to an article from the Twentsch Dagblad Tubantial of 23rd September 1966. "The principal impressions of the circumstances in which Italian workers live in Enschedé are very favourable. We are pleased and even amazed that all religious and other groups of society collaborate and that the men are not only taken care of, but that they can also take part in giving direction to certain activities as members of committees. We cannot admire living-quarters in boarding houses which are often over-full. We would like to see every Italian have his own home, but we must have consideration for the difficult housing situation in the Netherlands... Compared with other countries, the situation of the Italians working in this country is favourable, despite certain housing deficiencies... Difficulties of adaptation are often great, but the care of the Netherlands institutions, such as the very valuable support of the Foundations for Foreign Workers, does much to alleviate the difficulties of these people during their stay... Of those who where able to send for their families and who have found varied accommodation, it is estimated that about 50 per cent want to remain in the country."

Foreigners in the Netherlands are not employed only in the less attractive jobs. They work side by side with local workers, and there is not one single employment reserved for foreigners or exclusively occupied by even a majority of foreigners. Forty per cent of them work in the metal industry, which cannot be regarded as a low productive industry, and their wages, especially in the steel industry, are certainly not low according to Netherlands' standards, and not even according to European standards. It is a fact that the majority of foreign workers arrive with no useful skills in industry, without experience and without knowledge of the language. Of course they must start their career with easy-to-learn jobs and these are not always the most agreeable to workers in general. However, their wages and other working conditions are at least the same as those of their colleagues and even if they are at the legal minimum level, wages are quite reasonable. All officially recruited foreigners are entitled to extremely low deductions from their wages for board and lodgings, as well as to free return to their home countries after one year's work. Very many of the workers who migrated spontaneously enjoy the same advantages and are therefore above the wage-level of Dutch workers. As a rule foreign workers are taken into production lines quite soon ; the less attractive jobs are then left to a generation of newcomers.

Question

IV. PREPARATION FOR WORK LIFE

Should the general educational preparation of the total population be extended in years and the curriculum broadened better to prepare the population for work life in the more sophisticated industry and society ? Do the Netherlands Authorities foresee a more limited function for apprenticeship in the future and should such training be limited to enterprises with good facilities and special training personnel ? What steps do they consider necessary to ascertain the adequacy of the skill and training of the work population for the new industrial economy ?

Answer

The Dutch educational authorities believe that the examiners' questions about preparation for work life touch on a problem of great importance.

Some trouble had been caused by the way in which the examiners have formulated their first question. In particular, the meaning of the word "sophisticated" in their expectation that, in future, industry and society will be still more sophisticated than they are today, gave some difficulty. According to the Oxford Dictionary the word sophisticated means among other things "falsified in a greater or lesser degree", which was of course completely out of the question. The word "sophist" however, also to be found in this dictionary, offered much more help, for in ancient Greece a sophist was somebody specially engaged in the pursuit or communication of knowledge or one who gave instruction in intellectual and ethical matters in return for payment. This may be the right description for present day — and future — society since never before in history did a stronger urge for knowledge exist and never before has the necessity of communicating this knowledge been so evident.

On the other hand, men and women who occupy themselves with conveying knowledge, with training or instruction, are most certainly not doing so for nothing ; they want payment in return. This stands to reason. Nevertheless it has not to be overlooked that it makes education a costly affair.

There are about 3 million pupils in the Netherlands, distributed over all kinds of schools, from pre-primary education to universities. This is about 25 per cent of the entire population, while government expenditure on education amounts to some 25 per cent of total state expenditure.

The Examiners noted the advances made by the Netherlands towards extending general education to 13 years. They also noted that the great body of young people receive only limited additional general education after this.

Referring to the critical remarks contained in Chapter 3 of the Examiners' Report, the Dutch opinion is that the Examiners should have done somewhat more justice to the country's efforts to adapt its educational system to the requirements of the future. It therefore seems necessary to give a rough outline of the principles and nature of the Dutch school-reform.

The Netherlands Authorities are fully aware that this age of abundant knowledge produces particular problems for those institutions concerned with the conveying of knowledge, in other words with education. The problem is, however, which or what fields of present knowledge are still valuable for the future ? How to keep in touch with reality ? How to follow developments ? Which are the unchangeable basic principles ?

These are all very important questions, especially for vocational education, which must be very closely linked with the actual situation because the dynamic development of science and technique is constantly producing new professions and functions for which no separate training courses can be provided.

In the new Dutch secondary education law, the place of vocational education is clearly marked, since this vocational education will always be preceded by a period of general secondary education. This implies that, in principle, the Dutch educational system has built in a feed-back mechanism. If one succeeds in keeping vocational education up to date it will certainly influence general education, provided that the necessary links and connections are functioning well. Moreover, Dutch educational reform started from the principle that its structure must be such that all young people can be offered an education in line with their talents, interests and abilities.

The first thing which will be done is to extend the number of types of schools. Furthermore, in schools which used to have a rigid curriculum there will be a possibility of deeper specialisation in a wider range of subjects. Horizontal and vertical links will facilitate smooth transition from one type of school to another. There will also be the possibility of combining several types of schools into one, which in the end may lead to comprehensive schools. Finally, a transitional or bridge year will be inserted between primary and secondary education.

At the end of this bridge year, a decision will be made, by a process of selection and determination, on the type of secondary school most suitable for each pupil. It should be stressed, however, that because of the system of horizontal links, there is still a possibility of changing even in the higher grades.

It seems obvious that the Examiners had in mind this transitional year when they talked about the advances made towards extending the general education of the total population to 13 years. It is hoped that the special place of this bridge year in the Dutch educational system is now more clear to them.

In the new framework of this system the lower vocational schools will keep the special place they had before. First of all because, in contrast to the higher forms of vocational education, the phase of general education is incorporated in the curriculum. General education is given during the whole course of 3 or 4 years ; however, in the first year, which forms a direct link with primary education, general subjects only are taught. This first year is a selection and determination year, in other words it is also a bridge year.

The position of lower vocational education is also different because the greater part of its pupils will not have further full-time education, but will start looking for a job after finishing school. A great number of them will enter the apprenticeship system.

A separate stream will be created within this lower vocational education for those pupils who possess more theoretical abilities and who, after completing their lower technical education, want to enter a secondary technical school. Thereafter, provided they have the capacities for it, they can go on to a technical college or even to a technical university.

As is already the case now, the future duration of any course of secondary education, which forms a direct link with primary education, will be at least 3 years. Primary education takes 6 years ; 6 plus 3 makes 9. Compulsory education however lasts 8 years, so the completion of this kind of education means that one year at least should be voluntary.

There has been a considerable growth of the participation in education after the period of compulsory education. To mention just one figure : in 1954 only 66 per cent of the 14-year old boys and girls continued education ; 10 years later, in 1964, this percentage was 89, while the percentages for the 15-year old were respectively 55 and 74. In 1964 more than 92 per cent of the 14-year old boys continued their education. A fact which cannot be neglected is that about 8 per cent of these are not receiving any registered education. It also appears that of the 92 per cent which participated in education, about 6 per cent received some kind of part-time education, attended apprenticeship or still received primary education.

The 8 per cent not receiving any further education, plus the 6 per cent just mentioned, are free of compulsory education. They received 8 years of education, two of which might at best have been spent in secondary education. As the duration of the course of lower technical schools for boys is now at least 3 years, there is a chance that these boys left the course prematurely. The conclusion which the Dutch authorities draw from this is that this kind of education has no attraction for these boys, in other words the education they are offered is not sufficiently adapted to their capacities, abilities and interests.

It is expected that, under the new educational system, the introduction of the "bridge year" will improve the situation. Nevertheless for some, at least, of the boys just mentioned, particular forms of lower vocational education more suited to their abilities will have to be introduced. For this reason, a system of so-called individual technical education has been created and is being rather rapidly extended. It will be attached to a certain number of existing lower technical schools.

A similar solution has been chosen for the girls, where the overall picture is the same.

By the time that this kind of education has been sufficiently spread over the country, an extension of compulsory education will be considered.

Moreover it has been decided to look critically into the structure of primary education. The fact that in 1964 there were still a number of 14-year old boys and girls following primary education is of course not a good sign. An improvement of this situation is being considered.

Dutch authorities consider that the measures they are now preparing for full-time education, which will eventually lead to an extension of compulsory education, will result in a raising of the educational level, general as well as vocational, of the total population and will improve their preparation for working life as well.

On the other hand they are aware of the fact that it is necessary to consider the position of the young man or woman in working life. If and in what ways this will lead to particular measures with regard to full-time education, for instance appearing in a broadening of the curriculum, is a question which cannot yet be answered.

In questions 20 and 21, it is stated that in the rapidly changing times, the experience of those who are now a part of the labour force cannot be considered to serve as a standard for future measures. Experience in the Netherlands is restricted since industrial development only came into full swing after world war II. This, however, does not alter the fact that education, and in particular vocational education, in the country is closely linked with industrial life in its widest sense. Industry is represented on the board of practically every school in the field of vocational education. There is also a close contact with trade and industry at all levels of vocational education.

There is a continuous dialogue between industry and trade on the one hand and schools for vocational education on the other, which leads to all kinds of initiatives from which vocational education benefits. The educational authorities of the Netherlands therefore think that there is no need to undertake additional studies as suggested in question number 20. If other countries have carried out research and obtained valuable data in this respect they would like to be informed.

It would indeed be useful if, as suggested in question 21, there were a centre, for instance at one of the ministries, where a record could be kept of the scope and nature of those training courses which do not receive government aid. A census only provides a snapshot of the situation, but it is possible that analyses of the statistical material of such a census would provide an indication of the educational needs of these agencies or places.

What the Dutch educational authorities really want to know is if there are *general* needs which the Ministry of Education and Sciences should meet. They think that, in principle, all education subsidised by the Ministry of Education should be accessible to everyone. It should be for the benefit of all and should not cater for the needs of just one trade. The Ministry of Education should not interfere in specific industrial training courses which should in the first instance be the responsibility of trade and industry itself.

In question 22 it is stated that up to some 20 years ago, there were only two means of education below university level : the lower technical school as full-time education, with the apprenticeship system as an alternative — both providing society with skilled craftsmen ; and the technical college just below the university level. Two more levels have now been added, while at the same time a fundamental change has taken place in the functioning of the apprenticeship system. In the first place a level has been added between lower and higher technical education, the so-called secondary or advanced technical school and another new level in this case below the lower technical school, called individual technical school, which as already mentioned provides technical education for less able pupils.

The advanced technical schools, of which there are about 40, are mainly intended to provide education for jobs in new sectors requiring more cognitive than manual skills, and for supervisory jobs. About one half of the pupils in this type of school come from lower technical schools, while the other half usually come from a four years' type of secondary general education. It is estimated that some 10 per cent of the graduates of lower technical school will be able to follow the advanced technical school.

Continued education in the apprenticeship system is considered the better solution for the remaining group of boys. In other words the apprenticeship system no longer offers an alternative to the lower technical school, but has to cater for the continued education of a relatively large group of its graduates.

The apprenticeship system is also divided into primary and secondary levels. The latter is intended as a follow-up for the very skilled craftsman, the future owners of small undertakings, supervisors, etc.

Under the new law on the apprenticeship system, the age up to which contracts may be concluded will be raised from 21 to 27. One of the reasons for this is to keep the door open for new developments and to give the pupils mentioned previously an opportunity of reaching a higher level. As a result of these measures, a growth of the participation in the apprenticeship system is expected, at least in the near future and, because more time will be available, better results at the examination which will raise the level as a whole.

It is difficult to foresee what the situation will be in one or two decades. Should the apprenticeship system be restricted to enterprises with good facilities and special training personnel? The law on this system stipulates that the master should train the apprentice in the trade mentioned in the apprenticeship contract in such a way that the apprentice will be reasonably protected against moral or physical dangers.

The master of the enterprise has only to look after the practical training. He can do this himself or let one of his subordinates do it for him. There is no obligation for him to hire special training personnel. In principle he cannot interfere in the supplementary education, the second pillar on which the Dutch apprenticeship system rests. This supplementary education is given in lower technical schools. The master should be able to direct this practical training adequately.

One cannot ignore the fact that there are not only big enterprises but also a great many small ones. About half of the apprenticeship contracts are concluded in a sector which is not typically industrial, in which the employers are usually not able to hire special training personnel. It is, however, not necessary for them to do so, since the number of apprentices in these undertakings is small, often only one or two.

In the Dutch apprenticeship system, the employer is assisted by consultants, one of whose tasks is to advise the master with regard to the training. These consultants are employed by the national apprenticeship organisations which not only draft the practical training programmes but also, through their consultants, have the final say in the conclusion of the apprenticeship contract. If the consultant considers the undertaking to be unsuitable for the training of apprentices, the apprenticeship contract will not be concluded.

The object of these national institutions however is to make as many undertakings as possible apprenticeship-minded, in order to raise the level of the whole, with an eye to future developments, in the interest of the enterprises as well as the employees. A drastic system of exclusions, which apparently the examiners have in mind, would not serve this purpose; in fact it would have the opposite effect. A system such as that of the Netherlands in which each case has to be considered on its own merits, in other words, each enterprise on its suitability for training of the apprentice, is considered better. The value of a system of general norms for exclusions is regarded as dubious.

The meaning of question 24 has been only partly understood. It is not clear what kinds of "on the job training" the Examiners meant? If they are referring to the young people who after having finished lower vocational education conclude an apprenticeship contract, then direct hire and training on the job is a sound practice. Training on the job is an essential part of the Dutch apprenticeship system. Those who take part in it are not considered as employees but as pupils.

On the other hand, those who are changing jobs are mainly adults. They may have to change because of the technical developments and/or structural changes in trade and industry which make existing functions redundant and create new functions. It will depend largely on the nature and the level of the new functions whether training on the job will be possible, or whether a special programme must be arranged. There are many possibilities in the Dutch educational system for arranging such a programme. In recent years special part-time or evening courses, for instance in cybernetics and electronics, have been given in technical schools. Moreover, many possibilities are offered by the training centres for adults.

Therefore, it is also not clear what the Examiners mean when they ask for plans for overcoming these gaps. What gaps? It seems impossible that any educational system could provide such a basis, that after having completed it the pupil would never again need any additional training or education.

Nevertheless, different points of view more or less meet again here, in the sense that one of the objectives of education is to prepare the pupils mentally, and to make them alert to, the necessity of a continuous process of training and education in order to keep abreast of the dynamic developments of our time. Schools can only offer a basis.

It is very doubtful if a sample study of training preparation of the present work force would be helpful in making such an assessment as the Examiners have in mind. Such a study can never indicate possible errors in a *present* system of education, it will only hold the mirror up to the *past*. A continuous process of data collection is needed. In this respect reference is made to the data collecting system introduced by OECD at its conference on statistical needs for educational investment planning (Bendor 21st-25th February 1966).

Question

V. Deterrents to mobility

What are the deterrents to mobility in the Netherlands respecting retraining, geographical mobility, housing, restrictions on dismissals or withdrawals, wage controls and differentials, and social security systems? Where programmes of assistance such as for retraining and geographical movement exist, what can be done to make them more broadly available and adequate for large scale stimulation of mobility for groups they do not now serve?

Answer

The manpower authorities became responsible for adult training at a time when there was an obvious need to provide those who became unemployed with some means of livelihood. It is clear that in the present situation the need is not so vital.

On the other hand the opinion is rapidly gaining ground that new ways should be found. In his Explanatory Memorandum on the 1967 Budget the Minister of Social Affairs and Public Health stated : "Consequently it can only be considered as the realisation of one of the most important rights of mankind — see, for instance, article 23, paragraph (1) of the Universal Declaration on the Rights of Man — to ensure that adults who are obviously not using their abilities to the full in their employment should have an opportunity to train for a higher level job." This will result in providing training, retraining and further training facilities for every prospective trainee who is not using his capacities to the full, or who has become unemployed. Of course, such a development will cost money and at short notice it is not realisable in all respects.

These facilities would not, of course, be restricted to the occupational displaced groups and persons mentioned : older workers, women re-entering the labour force and persons seeking new skills or refresher training.

It cannot be denied that, at the moment, there are vacancies in a number of centres, owing to labour shortages, and probably to the wage system as well. If an adult is admitted to a centre, his allowance there will be lower than if he is working in an unskilled job with all the extras he is entitled to. Fortunately, these allowances have been raised during recent years ; possibly this is also the reason for a lack of space in the centres for training in the building industry. For the time being, this has resulted in a tendency towards the establishment of centres for this sector.

In future there should be close cooperation with employers ; in the past, after having finished a training, it was not always certain that employment would be available. Experience has shown, however, that practically 90 per cent of the persons trained in a vocational training centre were actually employed in the job for which they received their training. Therefore, the result was rather favourable.

But even now, when in comparison with a few months ago, labour shortages are diminishing in some districts, persons who are suitable for training do not attend a course because they are afraid that at the end of the training no adequate employment will be available. This means that new problems may arise which will make it necessary to supply more extensive information on prospects of jobs available to persons who have finished their training. Of course, a better knowledge of future developments on the labour market will require both money and personnel.

The features of individual freedom remain, however. It may be possible to establish vocational training schools, but a pre-requisite for a proper and functional application of the system is, and will be, the willingness of the individual to take a training course, even if he can earn more at the moment in an unskilled job.

The existing system dealing with permits for dismissal and resignation most certainly does not prevent the great flow of mobile labour, manual workers included, last but not least. Most applications — from both sides — can be met, though a longer period for dismissal or resignation may be observed than has been stipulated in the labour contract in question. Thus dismissal or resignation is not rendered impossible, nor even restricted to some extent, but capricious dismissal and resignation are avoided by giving a certain time for consideration and deliberation.

Though the Examiners did not make an intensive study of the influence of social insurance on workers' re-entry into employment, they venture an opinion, and for that matter not a correct one, on this influence. An employer is only allowed to institute shorter working hours than usual with the approval of the competent authorities. A short-time permit is only given after careful consideration. The statement that industry continues to maintain workers on short-time even if there is no prospect of their obtaining full-time employment later, can definitely not be endorsed. One of the aspects always taken into consideration when dealing with applications for short-time permits, is whether the granting of a short-time permit tends to prevent the worker's unemployment, and to promote his full-time employment with his own employer before long.

No support can be given to the view that the worker suffers a loss because the maximum period during which benefit is paid under the Unemployment Act is reduced by short-time periods, neither to the view that the worker is discouraged from taking another job. Before taking a decision, special attention is always paid to the fact that it might be very difficult to find another job for the worker concerned. If this is so, the worker will derive more profit from being partly employed and receiving part of his benefit, than from being fully unemployed and unable to find a job. The maximum benefit will be used up much more quickly during full unemployment than during partial unemployment.

The same lack of definition applies to the remark that in the past it has been noticed that workers in social workshops feared to accept normal employment in case they lost their disability benefit.

Question

VI. Tools of employment service

What contribution could the following techniques make toward more effective and broader penetration of the labour market both for the employee and the employers :

a) Advanced warning systems ;
b) Inter-area clearance and vacancy publication ;
c) Follow-up of placements ;
d) "Special placement counsellor" ?

What procedures are being used to increase the penetration of placements in occupations and industries where it is currently low ? What innovations can be effected for improving adult counselling ?

Answer

The first question raised by the Examiners can be illustrated by a recent story. A few days ago the unions issued a statement that in a certain place where big dismissals had occurred recently the Employment Service had not been sufficiently effective. What actually had happened was an effective and quick contact between employer and employment service, which resulted in obtaining new jobs before the unions even heard about the dismissals.

Dismissal problems, of course, are not always solved so quickly, but on the whole the service has satisfactory contacts with the employers. Generally directors of labour offices know what is going to happen in their district. Naturally an employer does not want premature publicity, but the service is confidentially informed, in order to be prepared to take steps as soon as the news is published.

Up till now this co-operation has been quite voluntary, but the employers' organisation has issued official statements to its members urging them to act in this way.

The period of time between the first warning to a labour office manager and the time when the first dismissals take place, differs from case to case. Sometimes, the service even tries to arrange for the re-employment of those to be dismissed before the dismissal falls due, and for the dismissals to take place gradually. The employers tend to keep forthcoming dismissals a secret, but then it is very difficult for them to arrange for re-employment or retraining. However, an early warning issued to the employment offices often makes it possible to take adequate steps without embarrassment.

At the moment, there is quite an important action in progress. The unions asked for a law to compel the employers to consult the central labour committees before taking steps towards re-organisation, mergers and dismissals. This proposal is opposed by the employers. The employment service does not interfere in this problem. In this matter the task of the service is to assist, not to make policy.

As far as the penetration of placements is concerned, it is a well-known fact that an advisory committee, on which both unions and employers are represented, is attached to every office of the service. These committees cooperate very closely with the directors of labour offices. If the number of people that enter industry (including mining) each year is compared with the number of placements effected, this shows that about one-third of the placements are covered by the employment service. In a tight labour market, however, the percentage will come down to about 15 per cent, for in this situation anyone who wants a job can get one without the help of the service. Looking at these percentages, it has to be kept in mind that they are related to the tight labour market of recent years, but that as soon as the labour market tends to loosen, people will be queuing up at the labour offices again and percentages will rise immediately.

It is very important to have well-trained and qualified officers in this field. Officers should be able to adapt themselves to new technological developments. In addition to the usual requirements of character and mental attitude, the policy is to demand higher training and education especially from directors in order to be able to cope with the problems of all categories of clients. A good education and personality are very important in winning the confidence of the people looking for help. If the service can win the confidence of the younger people coming to a labour office for the first time, this generation will be sure to find its way to the offices whenever in need of help.

The question of whether the officers are paid adequately is somewhat controversial. The answer might differ, according to whether it comes from the Director-General or from the officers themselves. The organisation consists of 2,520 men and women. A shortage on the labour market exists in all fields, the administrative sector included. But, when recently a personnel check was taken for all ministries, this organisation had not more than one single vacancy. This might throw some light on the climate prevailing within the service.

After about two years' study of personnel policy, a promotion line was established, which gives reasonable career prospects for the young men and women entering the service. For older officers, already employed in the service, various opportunities have been created to gain promotion in a comparable way. Each man knows that, according to his capabilities, he will be able to reach the highest possible level. A capable man, of course, will be able to rise in private enterprise as well as in the service, but the remuneration in the service can bear comparison with the private sector. This development tends to create a staunch corps and a team-spirit within the corps.

The differences in the placement percentages in the various provinces are due to the developments in different regions. The percentages depend on the situation at a given time in a given area. The more activities in industry, the less placement activities of the service.

In a normal situation — and during recent years a tight labour market was considered normal — people like to find jobs themselves. Whether they always find a job adapted to their potential capacity is another question, but it is their own responsibility. As a result it provides the personnel of the service with the opportunity of intensifying other activities nowadays regarded as most important. In the field of placements by the service, the question of confidence is vitally important. All kinds of job-seekers, both the most simple and the university graduate, should feel no obstacles in their way to the employment office. The United States tackle this problem in an impressive way, installing special offices for high level personnel. The Netherlands authorities concerned think their modern offices sufficiently attractive to all possible categories of clients and try to use special techniques to attract them. One of the most important of these techniques is the special training of officers. Annex 8 of the Report by the Netherlands Authorities gives some useful information on the training programme.

Direct placement activities constitute about one-third of the activities of the offices. Nowadays an important part of their work is providing good information, especially to youngsters, caring for handicapped persons and giving assistance to adults to help them to adapt to technological changes. In these years of a tight labour market the placement activities certainly cannot be regarded as the most important task of the service and therefore the penetration rate is no longer the best gauge of its efficiency.

There is a definite philosophy behind this attitude. The point has already been stressed that the service wants to assist people, but does not like people to be compelled to be assisted ; that is the philosophy of social life in the Netherlands. The original task of the service was mainly to find work for people who wanted a job and people for jobs that were vacant. But this kind of work has been superseded by more important structural tasks as was explained before. It is possible that the original task will regain its importance, but this is not the case at present, and once again, the Dutch do not like people to be forced to ask for services. If they wish to help themselves, they should do so.

Question

VII. EMPLOYMENT SERVICE ADMINISTRATION

The Examiners have proposed a special coordinator for older workers' employment programmes and one for employer services in the central office of the Employment Service to assure vigorous promotion in these fields, including the conclusion of agreements with large firms and professional groups and unions for the recruitment of labour through the Employment Service. Would coordination in these areas parallel similar centralised programmes of coordination in other areas ? What additional steps need to be taken to convert the district or provincial offices into local manpower agencies ?

Answer

Although under the changing circumstances the group "older workers", and particularly office and other white-collar workers, are faced with difficulties, it is not thought advisable to label this group formally as "*older* workers", in order to avoid indicating them too pointedly as a group. On the other hand, special placement methods are being developed for long term unemployed, to whom a considerable part of the older workers belong.

In this connection special studies are being made of older workers' problems. Therefore, it may be concluded that, in accordance with the opinion of the Manpower and Social Affairs Committee, the problem is considered to be sufficiently important to deserve special attention.

The development of the Service from the initial placement offices to a modern employment service calls for conversion of placement offices into "local manpower agencies". A first move in this direction is the approval in principle of the project to appoint "provincial consultants for employment". The task of these officials — who should be of an academic level — will follow the direction recommended by the Examiners, a better and deeper knowledge of the employment opportunities and the evolution of the labour market on a regional level, whereas the supply of these data both to the Central Service and the regional employment offices (GAB's) will promote the development of the latter into local manpower agencies to a much greater extent.

The Service already has an approved system of direct relations with employers by such means as the regular consultations on industrial projects.

Moreover, the study of methods of business contacts for placement officers has reached an advanced stage. No doubt, the Examiners' suggestions to obtain more coordination of all the Service activities are most interesting and deserve further study. Probably this subject should be added to the advice on employment policy requested from the Social Economic Council.

There are indeed informal arrangements with the larger firms concerning the recruitment of personnel. According to Netherlands' opinion, formalisation of these arrangements is not thought advisable. There are no such understandings with "professional groups" and "union groups", as they play no role in employment policy in the Netherlands.

Question

IX. INFORMATION, RESEARCH, STATISTICS

To achieve an effective appraisal of the labour market, the manpower authorities should have available adequate information and statistics and tested conclusions. The Examiners therefore have proposed a number of steps which would advance the adequacy of the information and statistics and the means of analysis. These include the establishment of a schedule of innovations and extensions of statistics to create an integrated system of reporting, a research unit to study enterprise personnel and industrial policies, and labour market research both within the Ministry and in the Universities for developing tested conclusions about behaviour in the labour market. What programme of changes is being introduced in the Netherlands and what provision is considered likely respecting those Examiners' items presently not in the programme?

Answer

The Netherlands' Authorities fully agree with the Examiners' recommendation with regard to the establishment of a schedule of innovations and extensions of statistics to create an integrated system. Although the resources in skilled personnel and in money that can be devoted to statistical research are limited, the type of schedule suggested by the Examiners will promote a correct assessment of the priorities.

The Examiners believe that household sample surveys should play an important part in the schedule of innovations and extensions. The Netherlands authorities agree that for some types of data, such as those on the changes that occur in the participation rates, this would be advisable.

Household sample surveys are, however, extremely expensive. Therefore, where possible, another method which would yield the same result at lower cost should be devised. In some cases such a method may consist of a sample of establishments followed by a sample of persons engaged in these establishments. Data on age and sex of the wage earners in many branches of industry have already been collected on this basis for many years. Extension of this method to other types of data and to other branches of industry is worth considering.

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